

**Connected and Share Transaction and Proposed Application
For a Whitewash Waiver
May 17, 2000**

Summary:

A conditional sale and purchase agreement was entered into on 17th May, 2000 between the Company and Mr. Li under which the Company has agreed to acquire or procure the acquisition from Mr. Li of his entire interest in Equisite Taste and the Shareholder's Loan for a total consideration of about HK\$1,484 million to be satisfied in full by the issue and allotment of the Consideration Shares to Mr. Li (or as he may direct), subject to the Completion Adjustment. The Consideration Shares will be allotted and issued at a price equivalent to the higher of the average closing price of the Shares over the immediately preceding five trading days prior to the date of the EGM and the closing price of the Shares as quoted on the Stock Exchange on the date of the Acquisition Agreement. Equisite Taste's principal asset is its holding of 52% of the issued share capital of Japura Pte Ltd, which in turn holds 100% of the issued share capital of Japura Development as described below. Japura Development is a company incorporated in Singapore and is engaged in the development of a property site known as Costa Del Sol located at Bayshore Road, Singapore. Upon completion of the Development, Costa Del Sol will comprise seven 30-storey blocks of residential flats with basement carparks and communal facilities.

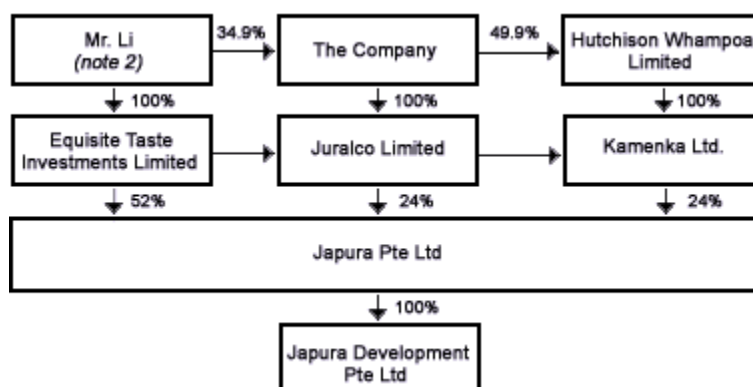
Mr. Li is a director of the Company and is deemed to be interested in about 34.9% of the existing issued share capital of the Company under the SDI Ordinance. For the purpose of the Listing Rules, the Acquisition constitutes a connected transaction of the Company. The Acquisition also constitutes a share transaction for the Company under the Listing Rules. In addition, as a consequence of the issue and allotment of the Consideration Shares, the direct shareholding and deemed interests under the SDI Ordinance of Mr. Li and his Concert Parties in the Company will likely be increased from about 34.9% of the existing issued share

capital to over 35% of the enlarged share capital of the Company immediately after Completion. Accordingly, an application for the Whitewash Waiver will be made to the Executive. The grant of the Whitewash Waiver, the Acquisition and the allotment and issue of Consideration Shares will be subject to the approval of the Independent Shareholders.

Mr. Li has also agreed to provide an indemnity to the Company for any reduction in the consolidated net tangible assets of Equisite Taste occurring between Completion and the Determination Date. Payment will be made within 7 days after the due determination of such reduction. Details are set out below.

The following charts show the relationship of the parties involved in the Acquisition prior to and immediately following Completion:

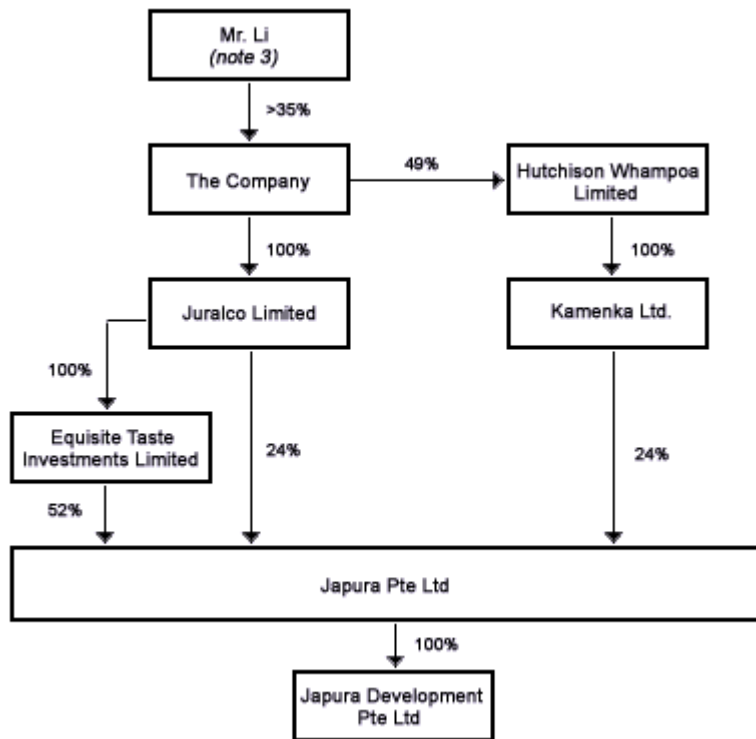
(i) Prior to Completion



Notes:

- (1) Not all of the intermediate holding companies are included.
- (2) Mr. Li and his Concert Parties are deemed to be interested in about 34.9% of the existing issued share capital of the Company under the SDI Ordinance.

(ii) Based on the enlarged share capital of the Company immediately following Completion



Notes:

- (1) Not all of the intermediate holding companies are included.
- (2) Refer to the paragraph headed "Whitewash Waiver" below.
- (3) Mr. Li and his Concert Parties will be deemed to be interested in over 35% of the enlarged share capital of the Company under the SDI Ordinance.

ACQUISITION AGREEMENT DATED 17th MAY, 2000

Parties:

Vendor: Mr. Li

Purchaser: the Company, or such party as the Company may procure

Assets to be acquired:

Upon Completion, the Company will acquire or procure the acquisition of the entire issued share capital of Equisite Taste which currently comprises 1 fully paid share of US\$1, together with the benefit of the Shareholder's Loan.

Equisite Taste owns a 52% interest in the issued share capital of Japura Pte Ltd, which in turn owns a 100% interest in the issued share capital of Japura Development. Japura Pte Ltd and

Japura Development are both incorporated in Singapore. Japura Pte Ltd is an investment holding company. Japura Development is engaged in the development of a property site known as Costa Del Sol, located at Bayshore Road, Singapore. Upon completion, Costa Del Sol will comprise seven 30-storey blocks of residential flats with basement carparks and communal facilities. The proposed gross floor area of the Development is about 138,908 sq.m. and is expected to be completed in three phases. The first phase of the Development is expected to be completed by the end of 2002. The second phase is expected to be completed by the middle of 2003 and the last phase by the end of 2003. The Development was valued at S\$626.5 million (about HK\$2,825 million) as at 16th May, 2000 by DTZ Debenham Tie Leung, an independent professional valuer. Approximately 15% of the Development has been completed.

Total Consideration:

Subject to the Completion Adjustment, the Total Consideration for the entire issued share capital of Equisite Taste and for the Shareholder's Loan amounts to about HK\$1,484 million in aggregate.

The Total Consideration was negotiated on an arm's length basis between the parties involved and is equal to the sum of the face value of the Shareholder's Loan which is equivalent to about HK\$1,850 million as at 16th May, 2000 and the consolidated unaudited deficit of Equisite Taste of about HK\$366 million as at 16th May, 2000 (after adjusting for the independent valuation of the Development as at 16th May, 2000 of about S\$626.5 million (about HK\$2,825 million) prepared by DTZ Debenham Tie Leung).

The Total Consideration is to be settled by the issue and allotment of the Consideration Shares and is subject to the Completion Adjustment, which will be settled by way of cash. The Consideration Shares will be allotted and issued at a price (credited as fully paid) equivalent to the higher of the average closing price of the Shares over the immediately preceding 5 trading days prior to the date of the EGM and the closing price of the Shares as quoted on the Stock Exchange on the date of the Acquisition Agreement of HK\$79.75.

Indemnity:

Mr. Li has provided an undertaking to the Company to indemnify the Company for any reduction in the consolidated net tangible assets of Equisite Taste occurring between Completion and the Determination Date. The Determination Date will be the date which falls six months after the occupancy permit in respect of the Development is issued, and any payment under the indemnity will be made within 7 days of the requisite amount being duly determined.

Assumptions on the number of Consideration Shares:

Assuming the Consideration Shares are allotted at a price of HK\$79.75 per Share, being the closing price of the Shares as quoted on the Stock Exchange on the date of the Acquisition Agreement, the number of Consideration Shares to be issued pursuant to the Acquisition Agreement would be 18,608,150 Shares, representing 0.81% of the Company's existing issued share capital and 0.80% of its enlarged share capital. Accordingly, the direct shareholding and deemed interests under the SDI Ordinance of Mr. Li and his Concert Parties in the Company would increase from about 34.9% of the Company's existing issued share capital to about 35.5% of its enlarged share capital immediately following Completion.

Payment terms:

The Company will issue and allot the Consideration Shares to Mr. Li or as he may direct, in satisfaction of the Total Consideration, at Completion credited as fully paid.

Completion:

Completion will take place on the third business day after all the conditions of the Acquisition Agreement have been satisfied and/or waived as applicable. It is expected that the date of Completion will be on or about 31st August, 2000.

Conditions of the Acquisition:

The obligations of the Company and Mr. Li to complete the Acquisition are conditional on the satisfaction (or waiver by Mr. Li in the case of (e), the only condition Mr. Li has retained the right to waive) of the following conditions on or before 31st August, 2000 or such other date as the parties involved may agree on:

- (a) the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the Acquisition, the allotment and issue of the Consideration Shares pursuant to the Acquisition Agreement and the other transactions as contemplated under the Acquisition Agreement such meeting to be held and such approval to be obtained in accordance with the Listing Rules or as the Stock Exchange may otherwise require;
- (b) the Executive granting the Whitewash Waiver;
- (c) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares, either unconditionally or subject to conditions to which neither Mr. Li nor the Company reasonably objects;
- (d) the passing of a resolution by an independent vote (within the meaning of Note 1 of the Notes on dispensation from Rule 26 of the Takeovers Code, or as may otherwise be agreed by the SFC) of the Independent Shareholders by poll at the EGM approving a waiver in respect of the obligation of Mr. Li (and/or his Concert Parties) to make a mandatory general offer for all the Shares which would otherwise arise as a result of the Acquisition, the issue and allotment of the Consideration Shares pursuant to the Acquisition Agreement and/or other transactions contemplated under the Acquisition Agreement;
- (e) the passing of a separate resolution by the Independent Shareholders by poll at the EGM approving any further acquisition by Mr. Li or his Concert Parties of any additional Shares during a period of 12 months immediately following the date of issue of the Consideration Shares for the purpose of Note 15 to Rule 26.1 of the Takeovers Code;
- (f) consent to the transactions contemplated in the Acquisition Agreement to the extent required in connection with the property site of the Development being granted by the Urban Redevelopment Authority of Singapore;
- (g) consent to and waiver of any non-compliance of obligations consequential upon the transactions contemplated in the Acquisition Agreement being granted by the Majority Lenders and the release of all obligations of Mr. Li under or in connection with the Bank Loan Agreement and the guarantees granted by Mr. Li in respect of certain obligations under the Bank Loan Agreement; and

(h) all authorisations, registrations, filings, licences, confirmations, clearances, rulings, decisions, consents, permissions and approvals necessary or appropriate for or in connection with the transaction contemplated under the Acquisition Agreement having been obtained or made.

REASONS FOR THE ACQUISITION

The Company and its subsidiaries are principally engaged in the business of property development and investment, real estate agency and management and investment in securities.

The Company is one of the leading property developers in Hong Kong. It has a proven record in building quality multi-storey residential developments in Hong Kong and overseas. The Directors believe that the Company is ideally placed to apply such expertise to the Development and thereby enhance the Company's overall return from the completion of this project.

In addition, the Singapore residential property market has been recovering since late 1998. The Acquisition provides a good opportunity for the Company to consolidate its property development business in Singapore and is consistent with the Company's strategy of replenishing its landbank when opportunities arise.

Furthermore, owing to the indemnity to be given by Mr. Li against any reduction in the consolidated net tangible assets of Equisite Taste occurring between Completion and the Determination Date, the Directors consider that the Company has limited risk from the Acquisition.

As a whole, the Directors consider that the Acquisition is in the interests of the Company and its shareholders.

CONNECTED TRANSACTION

As Mr. Li is a director of the Company, the Acquisition constitutes a connected transaction of the Company for the purposes of the Listing Rules. The Acquisition, the allotment and issue of the Consideration Shares will be subject to the approval of the Independent Shareholders.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee will be formed to consider and advise the Independent Shareholders in respect of the Acquisition and the Whitewash Waiver and an independent financial adviser will be appointed to advise the Independent Board Committee on whether or not the terms of the Acquisition Agreement and the granting of the Whitewash Waiver are in the interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

WHITEWASH WAIVER

Implementation of the Acquisition will result in an increase in the direct shareholding and deemed interests under the SDI Ordinance of Mr. Li and his Concert Parties in the Company from about 34.9% of the existing issued share capital to over 35.0% of the enlarged share capital of the Company, which would (but for a waiver from the Executive) give rise to a mandatory general offer obligation under Rule 26 of the Takeovers Code. The Directors have been informed by Mr. Li that an application will be made by Mr. Li to the Executive for a waiver in respect of any obligation of Mr. Li and his Concert Parties to make a mandatory general offer for all the shares of the Company which would (save for the waiver) arise as a result of the issue and allotment of the Consideration Shares to Mr. Li (or as he may direct). Such Whitewash Waiver, if granted by the Executive, will be subject to the Independent Shareholders' approval on a poll at the EGM. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not obtained, the Acquisition Agreement will be terminated. Mr. Li and his Concert Parties have not acquired any Shares during the period commencing six months prior to the date of the Acquisition Agreement.

Mr. Li will also apply for the approval of the Independent Shareholders to Mr. Li and his

Concert Parties acquiring additional Shares in accordance with Note 15 to Rule 26.1 of the Takeovers Code in the 12 months immediately following the date of issue of the Consideration Shares.

GENERAL

A circular containing, inter alia, details of the Acquisition Agreement, the notice of EGM, a letter from an independent financial adviser containing its advice to the Independent Board Committee in relation to the Acquisition, the recommendation of the Independent Board Committee in relation to the Acquisition and a valuation report from DTZ Debenham Tie Leung on the Development, is expected to be dispatched to the Shareholders as soon as practicable and in accordance with the Takeovers Code.

BNP Prime Peregrine Capital Limited has been appointed to advise the Company in connection with this transaction. HSBC Investment Bank Asia Limited has been appointed to advise Mr. Li in connection with this transaction.

LISTING AND DEALING

Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

TERMS USED IN THIS ANNOUNCEMENT

"Acquisition"	the acquisition by or procured by the Company from Mr. Li of the entire issued share capital of Equisite Taste and the Shareholder's Loan
"Acquisition Agreement"	the conditional agreement dated 17th May, 2000 entered into between the Company and Mr. Li relating to the Acquisition
"Bank Loan Agreement"	the facility agreement dated 29th April, 1997 and made between (1) Japura Pte Ltd as borrower, (2) the banks and financial institutions named therein as co-ordinating arranger, Facility B Lender, arrangers, co-arrangers, lead managers, co-lead

managers and lenders and (3) CEF (Capital Markets) Limited as agent in respect of a US\$712,000,000 term loan and revolving credit facility

"Company"	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange
"Completion"	completion of the Acquisition Agreement, which is expected to take place on or about 31st August, 2000 or such other date as the parties involved may agree on
"Completion Adjustment"	the adjustment to the Total Consideration calculated as the difference between the net asset value as stated in the management accounts of Equisite Taste as at 16th May 2000 and the audited financial statements for Equisite Taste as at the date of Completion to be prepared by Deloitte Touche Tohmatsu and to be settled in cash
"Concert Parties"	has the meaning ascribed to the term "person acting in concert" under the Takeovers Code
"Consideration Shares"	the new Shares proposed to be allotted and issued by the Company to Mr. Li (or as he may direct) on Completion in satisfaction of the Total Consideration, the number of shares to be determined by reference to the higher of the average closing price of the Shares over the immediately preceding five trading days prior to the date of the EGM and the closing price of the Shares as quoted on the Stock Exchange on the date of the Acquisition Agreement
"Determination Date"	the date which falls six months after the occupancy permit in respect of the Development is issued, and any payment under the indemnity will be made within 7 days of the requisite amount being duly determined
"Development"	development of a property site known as Costa Del Sol located at Bayshore Road, Singapore, which will, upon completion, comprise seven 30-storey blocks of residential flats with basement car parks and communal facilities

"Directors"	the directors of the Company, excluding Mr. Li and Mr. Li Tzar Kuoi, Victor
"EGM"	an extraordinary general meeting of the Company to be convened in connection with the Acquisition
"Equisite Taste"	Equisite Taste Investments Limited, a company incorporated in BVI and is wholly owned by Mr. Li
"Executive"	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
"Japura Development"	Japura Development Pte Ltd., a company incorporated in Singapore and is wholly owned by Japura Pte Ltd.
"Mr. Li"	Mr. Li Ka-shing, the chairman of the Company
"Independent Board Committee"	an independent committee of the board of Directors
"Independent Shareholders"	independent shareholders of the Company who are not involved in, or interested in, the Acquisition and excluding Mr. Li and his Concert Parties and his associates under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Majority Lenders"	as defined in the Bank Loan Agreement
"SDI Ordinance"	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
"SFC"	the Securities & Futures Commission
"Shares(s)"	share(s) of HK\$0.50 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares in issue
"Shareholder's Loan"	the interest-free demand loan advanced by Mr. Li to Equisite Taste
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers
"Total Consideration"	the total amount payable for the entire issued share capital of Equisite Taste and the Shareholder's Loan for the Acquisition, being about HK\$1,484 million
"Whitewash Waiver"	a waiver in respect of the obligations of Mr. Li and his Concert Parties to make a mandatory general offer for all the Shares which would otherwise arise as result of the allotment and issuance of the Consideration Shares to Mr. Li (or as he may

	direct) pursuant to the Acquisition Agreement
"sq.m."	square metres
"HK\$"	Hong Kong dollars
"S\$"	Singapore dollars
"US\$"	United States dollars

By Order of the Board
Cheung Kong (Holdings) Limited
Eirene Yeung
Company Secretary

Mr. Li Ka-shing

Unless otherwise specified, the translation of Singapore dollars into Hong Kong dollars is based on the exchange rate of S\$1.00 = HK\$4.51 and the translation of United States dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 = HK\$7.80.

The Directors, including Mr. Li and Mr. Li Tzar Kuoi, Victor, jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries that, to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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