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**WHEELOCK AND COMPANY
LIMITED**

(Incorporated in Hong Kong with limited liability)

Stock Code: 20



THE WHARF (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 4

**JOINT ANNOUNCEMENT
CONNECTED TRANSACTION**

The boards of directors of Wheelock and Wharf announce that on 17 September 2009, the Wharf Group together with the CMP Group succeeded in bidding for the Land through an equally owned joint venture at a price of RMB641 million (equal to about HK\$728 million). The Wharf Group and the CMP Group, through the Project Company, will jointly develop the Land, on a 50:50 ownership basis, into residential and commercial properties. On 17 September 2009, a wholly-owned subsidiary of Wharf entered into a Framework Agreement with CMP for the purpose of joint bidding and development of the Land.

CMP is a 54.1%-owned subsidiary of CMG which in turn is an indirect substantial shareholder of a non wholly-owned subsidiary of Wharf and also of Wheelock (which owns 50.02% equity interest in Wharf). Therefore, the Land Acquisition Transaction together with the joint development of the Land constitutes a connected transaction for both Wheelock and Wharf.

For each of Wheelock and Wharf, since one or more of the applicable percentage ratios in respect of the financial commitment for the Land Acquisition Transaction is/are greater than 0.1% while all such ratios are below 2.5% for the purposes of Rule 14.07 of the Listing Rules, the Land Acquisition Transaction is exempt from the independent shareholders' approval requirement, but is subject to the reporting and announcement requirements under Rule 14A.45 to Rule 14A.47 of the Listing Rules.

INTRODUCTION

The boards of directors of Wheelock and Wharf announce that on 17 September 2009, the Wharf Group together with the CMP Group succeeded in bidding for the Land through an equally owned joint venture at a price of RMB641 million (equal to about HK\$728 million). The Wharf Group and the CMP Group, through the Project Company, will jointly develop the Land, on a 50:50 ownership basis, into residential and commercial properties. On 17 September 2009, WECL (which is a wholly-owned subsidiary of Wharf) entered into the Framework Agreement with CMP for the purpose of joint bidding and development of the Land.

DETAILS OF THE TENDER

Bidding Date: 17 September 2009

Parties: (1) Tianjin Land and Estate Management Bureau (天津市國土資源和房屋管理局) as the vendor

(2) WECL together with CMP through the JV Company as the purchaser

Purpose: commercial and residential developments of the Land with a total site area of about 511,558 square feet and a total gross floor area of about 1.3 million square feet (comprising about 0.95 million square feet for residential purpose and 0.35 million square feet for office/commercial use) in accordance with the conditions of the bidding rules and regulations

CONSIDERATION AND PAYMENT TERMS

The total consideration amount, payable to the abovementioned vendor, for acquiring the land use rights of the Land is RMB641 million (equal to about HK\$728 million), which was paid/will be payable by cash instalments in manner as follows:-

<u>Date of payment</u>	<u>Amount paid / payable</u>
On 14 September 2009	RMB90 million (equal to about HK\$102.2 million) (being the deposit for the Land bidding)
Within 60 days of the signing of the relevant Land contract	RMB551 million (equal to about HK\$625.8 million) (being the balance of the total consideration)

Such consideration amount was the outcome of a public bidding held by Tianjin Land and Estate Management Bureau (天津市國土資源和房屋管理局) on 17 September 2009 which was conducted in accordance with the relevant PRC laws and regulations. It was determined on the basis of an accommodation value of about RMB493 (equal to about HK\$560) per square foot. Each of the Wharf Group and the CMP Group is ultimately responsible for 50% of the total consideration.

PROPERTY DEVELOPMENT THROUGH THE PROJECT COMPANY

On 17 September 2009, the Framework Agreement was entered into between WECL and CMP for the purpose of the bidding on 17 September 2009 through Suzhou JV and the joint development of the Land. A summary of the major terms and conditions of the Framework Agreement is set out below:-

Date:	17 September 2009
Parties:	(1) WECL (2) CMP
Purpose:	Joint bidding of the Land through Suzhou JV and joint development of the Land
Project Company and funding arrangements:	Following the successful bidding of the Land on 17 September 2009, the Project Company will be incorporated by the parties to the Framework Agreement in the PRC and will be owned as to 50% by each of the Wharf Group and the CMP Group for the purpose of, <i>inter alia</i> , joint development of the Land. It was also agreed that the Land cost (together with deed tax) will be funded through the JV Company for which the Wharf Group and the CMP Group are financially responsible on a 50:50 basis. The Wharf Group's share of the contribution will be partly funded from its internal resources and partly funded by bank borrowings by the Wharf Group.
Profit and loss:	The Wharf Group and the CMP Group will share the profit and loss of JV Company in proportion to their respective contribution to the registered capital thereof (i.e. on a 50:50 basis).
Management:	The property development of the Land will be led by the CMP Group while the Wharf Group will be responsible for the finance management and control.

As at the date of this announcement, the total financial commitment (other than the total consideration for the Land bidding) for the Land development is yet to be determined between the parties. In the event of the total financial commitment for the Land development which will be determined later exceeding 2.5% in respect of one or more of the applicable ratios for Wheelock and/or Wharf under the Listing Rules, further announcement will be made and relevant requirements under Chapter 14 and/or Chapter 14A of the Listing Rules will be complied with.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION TRANSACTION

The directors of Wheelock and Wharf believe that the Land development is a viable investment, will broaden the asset and earnings base of, and will be beneficial to Wheelock and Wharf and their respective shareholders as a whole.

The directors of Wheelock (including Wheelock's independent non-executive directors) and Wharf (including Wharf's independent non-executive directors) also consider that the terms of the Land Acquisition Transaction together with the joint development of the Land are in the respective interests of Wheelock and Wharf and their respective shareholders, and the

relevant transactions are in the ordinary and usual course of business of the Wheelock Group and the Wharf Group, on normal commercial terms, and are fair and reasonable.

GENERAL

The principal business activities of the Wheelock Group as well as the Wharf Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

The principal business activities of the CMP Group are property development and property-related business.

As at the date of this announcement, the board of directors of Wheelock comprises Mr. Peter K. C. Woo, Mr. Gonzaga W. J. Li, Mr. Stephen T. H. Ng and Mr. Paul Y. C. Tsui, together with three independent non-executive directors, namely, Mr. Alexander S. K. Au, Mr. B. M. Chang and Mr. Kenneth W. S. Ting, and the board of directors of Wharf comprises Mr. Peter K. C. Woo, Mr. Gonzaga W. J. Li, Mr. Stephen T. H. Ng, Ms. Doreen Y. F. Lee, Mr. T. Y. Ng and Mr. Paul Y. C. Tsui, together with six independent non-executive directors, namely, Hon. Paul M. P. Chan, Professor Edward K. Y. Chen, Dr. Raymond K. F. Ch'ien, Hon Vincent K. Fang, Mr. Hans Michael Jebsen and Mr. James E. Thompson.

REGULATORY ASPECTS

CMP is a non wholly-owned subsidiary of CMG which holds 54.1% shareholding interest in CMP through China Merchants Shekou Industrial Zone Company Limited and China Merchants Zhangzhou Development Zone Co., Ltd. CMG is an indirect substantial shareholder of a non wholly-owned subsidiary of Wharf and also of Wheelock (which owns 50.02% equity interest in Wharf), namely, Modern Terminals Limited, by reason of a wholly-owned subsidiary of China Merchants Holdings (International) Co., Ltd., which is 57%-owned by CMG, owning 27% shareholding interest in Modern Terminals Limited. Therefore, the Land Acquisition Transaction together with the joint development of the Land constitutes a connected transaction for both Wheelock and Wharf.

For each of Wheelock and Wharf, since one or more of the applicable percentage ratios in respect of the financial commitment for the Land Acquisition Transaction is/are greater than 0.1% while all such ratios are below 2.5% for the purposes of Rule 14.07 of the Listing Rules, the Land Acquisition Transaction together with the joint development of the Land is exempt from the independent shareholders' approval requirement, but is subject to the reporting and announcement requirements under Rule 14A.45 to Rule 14A.47 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings: -

“CMG”	China Merchants Group Co., Ltd., a company incorporated in PRC
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“CMP”	China Merchants Property Development Co., Ltd. (招商局地產控股股份有限公司), a company incorporated in PRC, whose shares are listed on the Shenzhen Stock Exchange
“CMP Group”	CMP together with its subsidiaries
“connected person”	shall have the same meaning ascribed to the Listing Rules
“Framework Agreement”	the framework agreement entered into between WECL and CMP dated 17 September 2009 in relation to the Land bidding for the property development
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	a limited liability company incorporated in the PRC, an associate of Wharf and is owned as to 50% by each of the Wharf Group and the CMP Group
“Land”	a piece of land in Tianjin, the PRC with a total site area of approximately 511,558 square feet located at 天津市河東區衛國道與靖江路交口，東至益壽東里，南至衛國道，西至靖江路，北至常州道
“Land Acquisition Transaction”	the successful bidding for the acquisition of the land use rights of the Land on 17 September 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project Company”	a company to be incorporated in the PRC by the parties to the Framework Agreement for the purpose of, <i>inter alia</i> , the joint development of the Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WECL”	Wharf Estates China Limited (九龍倉中國置業有限公司), a wholly-owned subsidiary of Wharf
“Wharf”	The Wharf (Holdings) Limited (stock code: 4), a company incorporated under the laws of Hong Kong with limited liability the shares of which are listed on the Stock Exchange, and a 50.02%-owned subsidiary of Wheelock

“Wharf Group”	Wharf together with its subsidiaries
“Wheelock”	Wheelock and Company Limited (stock code: 20), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange
“Wheelock Group”	Wheelock together with its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$1.1352 = RMB1.00. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By Order of the Directors of
WHEELOCK AND COMPANY LIMITED
Wilson W. S. Chan
Company Secretary

By Order of the Directors of
THE WHARF (HOLDINGS) LIMITED
Wilson W. S. Chan
Company Secretary

Hong Kong, 17 September 2009