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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 wish to announce that on 29 October 2009, the Wharf Group and the COLI Group, jointly on a 50:50 ownership basis, succeeded through the Investment Company (which is a wholly-owned subsidiary of Wharf and which will later on become 50:50 owned by the Wharf Group and the COLI Group in accordance with the Framework Agreement) in bidding for the Land at a price of RMB4,100 million (equal to about HK\$4,654 million). The Wharf Group and the COLI Group will jointly develop the Land, on a 50:50 ownership basis, into residential and office/commercial properties. Also on 29 October 2009, Wharf entered into the Framework Agreement with COLI for the purpose of joint bidding and development of the Land.

COLI is a joint venture partner of the Harbour Centre Group for property development of another piece of land in Chongqing central business district, the PRC. Harbour Centre is a non-wholly owned listed subsidiary of Wheelock and Wharf. Following the successful bidding of the Chongqing central business district land as announced by Harbour Centre on 24 September 2007, COLI has become a controlling shareholder with a 45% shareholding interest in the JCE for the property development of the Chongqing central business district land. The Harbour Centre Group holds the remaining 55% shareholding interest in the JCE. As such, COLI has become a connected person of Wheelock and Wharf. Consequently, COLI together with its subsidiaries are regarded as connected persons of Wheelock and Wharf within the meaning of the Listing Rules and therefore, the Land Transaction constitutes a connected transaction for both Wheelock and Wharf.

For Wheelock, since one or more of the applicable percentage ratios in respect of the financial commitment for the Land Transaction is/are greater than 2.5% for the purposes of Rule 14.07 of the Listing Rules, the Land Transaction is subject to the reporting, announcement and independent shareholders' approval requirements as set out in Rule 14A.45 to Rule 14A.54 of the Listing Rules.

For Wharf, since one or more of the applicable percentage ratios in respect of the financial commitment for the Land 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 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.

As far as Wheelock is concerned, the Land Transaction is subject to approval by the independent shareholders of Wheelock as required under the Listing Rules. A written shareholders' approval has already been obtained from a closely allied group of shareholders of Wheelock holding, in aggregate, 1,204,934,330 Wheelock shares (representing approximately 59.3% of the issued share capital of Wheelock) for the entering into of the Land Transaction. Such 59.3% shareholding interest represents the deemed shareholding interest of Mr. Peter K.C. Woo, the Chairman of Wheelock. No shareholders of Wheelock would be required to abstain from voting if a physical meeting for approval of the Land Transaction were to be convened. Pursuant to Rule 14A.43, Wheelock has made an application to the Stock Exchange applying for a waiver that the written approval from the closely allied group of shareholders of Wheelock in lieu of holding a physical shareholders' meeting is acceptable for approval of the Land Transaction.

A circular containing, among other things, information relating to the Land Transaction, the recommendation of the Independent Board Committee to the independent shareholders of Wheelock and an opinion letter from the Independent Financial Adviser to the Independent Board Committee and the independent shareholders of Wheelock, will be despatched to Wheelock's shareholders as soon as practicable in compliance with the Listing Rules.

INTRODUCTION

The boards of directors of Wheelock and Wharf wish to announce that on 29 October 2009, the Wharf Group and the COLI Group, jointly on a 50:50 ownership basis, succeeded through the Investment Company (which is a wholly-owned subsidiary of Wharf and which will later on become 50:50 owned by the Wharf Group and the COLI Group in accordance with the Framework Agreement) in bidding for the Land at a price of RMB4,100 million (equal to about HK\$4,654 million). The Wharf Group and the COLI Group will jointly develop the Land, on a 50:50 ownership basis, into residential and office/commercial properties. Also on 29 October 2009, Wharf entered into the Framework Agreement with COLI for the purpose of joint bidding and development of the Land.

The Land is situated in Jiangbei City (江北城), a prime location where the Yangtze River (長江) meets Jialing River (嘉陵江). The entire Land enjoys a spectacular river view in three directions and is planned to be Chongqing City's new CBD. In addition to a huge green land which has already been planned in the area, the area enjoys a well-established transportation network with three bridges already built crossing Jialing River and the Yangtze River to the old CBD Yuzhong District (渝中區) and the new headquarters hub Danzishi District (彈子石區). Also under planning are light railway lines No.6 and No.9 which will pass this area with stations nearby the Land.

DETAILS OF THE TENDER

- Bidding Date : 29 October 2009
- Parties : (a) Chongqing Municipal Bureau of Land Resources and Housing Management (重慶市國土資源和房屋管理局) as the vendor; and
(b) the Investment Company as the purchaser
- Purpose : development of the Land into residential and office/commercial properties with a site area of about 2.85 million square feet and a total gross floor area of about 14.33 million square feet (comprising about 9.52 million square feet for residential purpose and 4.81 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 above mentioned vendor, for acquiring the land use rights of the Land is RMB4,100 million (equal to about HK\$4,654 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 October 2009	RMB730 million (equal to about HK\$828.6 million) (being deposit for the bidding)
On or before 15 December 2009	RMB500 million (equal to about HK\$567.5 million) (being 30% of the Land cost, inclusive of the paid deposit)
On or before 15 December 2010	RMB820 million (equal to about HK\$930.7 million) (being 20% of the Land cost)
On or before 30 June 2011	RMB820 million (equal to about HK\$930.7 million) (being 20% of the Land cost)
On or before 31 May 2012	RMB1,230 million (equal to about HK\$1,396.5 million) (being the balance of the Land cost)

Such consideration amount was the outcome of a public bidding held by 重慶市土地和礦業權交易中心 (an entity acting for Chongqing Municipal Bureau of Land Resources and Housing Management) on 29 October 2009 which was conducted in accordance with the relevant PRC laws and regulations. It represents an accommodation value on the basis of about RMB286 (equal to about HK\$325) per square foot, which is about 10% higher than the starting bid price and considered as a reasonable price. Each of the Wharf Group and the COLI Group is ultimately responsible for 50% of the total consideration. The Wharf Group's share of the consideration will be partly funded from its internal resources and partly funded by bank borrowings by the Wharf Group.

PROPERTY DEVELOPMENT THROUGH THE PROJECT COMPANY

On 29 October, 2009, Wharf entered into the Framework Agreement with COLI in order to facilitate to bidding the Land on a 50:50 ownership basis through the Investment Company. It was agreed between the Wharf Group and the COLI Group that following the successful bidding of the Land on 29 October 2009, there will be effected a transfer from the Wharf Group to the COLI Group 50% of the entire issued share capital of the Investment Company (which presently is a wholly-owned subsidiary of Wharf) at a consideration which would be calculated and determined on the basis of, and on a dollar for dollar basis, the COLI Group paying or being responsible for paying 50% of the net assets of the Investment Company (including 50% of the tender deposit paid for the bidding of the Land). Then, after completion of such share transfer, the Project Company, to be 100%-owned by the Investment Company, will be incorporated for the purpose of, *inter alia*, the joint development of the Land. The Investment Company has no other assets and businesses and was incorporated solely for the purpose of the Land bidding and development.

As at the date of this announcement, the total financial commitment (other than the total consideration of the Land) for the development of the Land is yet to be determined between the parties. However, under the Framework Agreement, it was agreed that, prior to obtaining, among other things, the land use right certificate of the Land and in the event that working capital is required for the Land development, such capital requirement would be funded by way of capital contribution or shareholders' loans to be sought from Wharf Group and COLI Group in proportion to their shareholding interest in the Investment Company and the Project Company. In the event of the aggregate of the financial commitment for the Land development, which will be determined at a later date, and the Land cost exceeding 2.5% in respect of one or more of the applicable ratios for Wharf under the Listing Rules, further announcement will be made and relevant requirements under Chapter 14A of the Listing Rules will be complied with by Wharf.

REASONS FOR AND BENEFITS OF THE LAND TRANSACTION

The directors of Wheelock and Wharf believe that the Land Transaction 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. Together with the land parcel also in Chongqing that Harbour Centre acquired in 2007, the Land Transaction will significantly enhance the Group's leading position in Jiangbei City. The new clustering effect thus generated is expected to be attractive to value creation.

The directors of Wheelock (excluding Wheelock's independent non-executive directors who will opine on the Land Transaction after taking into account the advice to be received from the Independent Financial Adviser) and Wharf (including Wharf's independent non-executive directors) also consider that the terms of the Land Transaction 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.

REGULATORY ASPECTS

COLI is a joint venture partner of the Harbour Centre Group for property development of another piece of land in Chongqing central business district, the PRC. Harbour Centre is a non-wholly owned listed subsidiary of Wheelock and Wharf. Following the successful bidding of the Chongqing central business district land as announced by Harbour Centre on 24 September 2007, COLI has become a controlling shareholder with a 45% shareholding interest in the JCE for the property development of the Chongqing central business district land. The Harbour Centre Group holds the remaining 55% shareholding interest in the JCE. As such, COLI has become a connected person of Wheelock and Wharf. Consequently, COLI together with its subsidiaries are regarded as connected persons of Wheelock and Wharf within the meaning of the Listing Rules and therefore, the Land Transaction constitutes a connected transaction for both Wheelock and Wharf.

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GENERAL

The principal business activities of the Wheelock Group and 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 COLI Group are property development and investment.

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.

TERMS USED IN THIS ANNOUNCEMENT

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

“COLI”	China Overseas Land & Investment Ltd. (stock code: 688), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“COLI Group”	COLI together with its subsidiaries
“connected person(s)”	shall have the same meaning ascribed to the Listing Rules
“Framework Agreement”	the framework agreement entered into between Wharf and COLI dated 29 October 2009 in relation to the Land bidding and the proposed development, through the Project Company to be formed, of the Land on a 50:50 ownership basis
“Harbour Centre”	Harbour Centre Development Limited (stock code: 51), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange. It is a 70%-owned subsidiary of Wharf
“Harbour Centre Group”	Harbour Centre together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of Wheelock comprising all the independent non-executive directors of Wheelock, namely, Mr. Alexander S.K. Au, Mr. B.M. Chang and Mr. Kenneth W.S. Ting
“Independent Financial Adviser”	the independent financial adviser to be appointed by Wheelock to advise the Independent Board Committee and the independent shareholders of Wheelock in relation to the Land Transaction
“Investment Company”	a limited liability company incorporated in Hong Kong used for the purpose of the Land bidding, which will be equally owned by the Wharf Group and the COLI Group
“JCE”	means jointly controlled entity, namely, Speedy Champ Investments Limited, which was incorporated in Hong Kong and is jointly controlled by the Harbour Centre Group and the COLI Group
“Land”	two pieces of land in Chongqing, the PRC with a total site area of approximately 2.85 million square feet located at 江北區江北城組團 A分區 A10-1/03, A10-2/03, A10-4/03, A11-1/03 and C分區 C01-3/03, C01-5/03號
“Land Transaction”	the successful bidding for the acquisition of the land use rights of the Land on 29 October 2009 and the entering into of the Framework Agreement, together with the relevant transactions contemplated thereunder
“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, to be 100%-owned by the Investment Company for the purpose of the joint development of the Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wharf”	The Wharf (Holdings) Limited (stock code: 4), a 50.02%-owned subsidiary of Wheelock incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wharf Group”	Wharf together with its subsidiaries

“Wheelock”	Wheelock and Company Limited (stock code: 20), a company incorporated in Hong Kong with limited liability with its shares 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
“%”	per cent.

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\$1.135 = 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, 3 November 2009