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## **WHEELOCK AND COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 20

### **DISCLOSEABLE TRANSACTION**

The board of directors of the Company announces that on 10 November 2009, the Vendor (a subsidiary of the Company) entered into the Agreement with the Purchaser (an independent third party) for the disposal of the Vendor's entire 87.5% equity interest in BCTS at a consideration of RMB2,280.3 million (equal to about HK\$2,586.8 million) and the disposal, on a dollar-for-dollar basis, of the shareholder loan of RMB427.7 million (equal to about HK\$485.2 million) owed by BCTS to the Vendor, subject to and upon the terms and conditions contained in the Agreement. BCTS is the owner of a property in Beijing known as Beijing Capital Times Square.

On the basis that one or more of the applicable percentage ratios in respect of the Disposal is/are greater than 5% while all such ratios are below 25% for the purposes of Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **INTRODUCTION**

Immediately before the Disposal, BCTS was held as to 87.5% by the Vendor, a wholly-owned subsidiary of Wharf which in turn is a 50.02%-owned subsidiary of the Company. BCTS is the owner of Beijing Capital Times Square in Beijing, PRC. On 10 November 2009, the Vendor entered into the Agreement with the Purchaser, being an independent third party, whereby the Vendor has agreed to sell and the Purchaser has agreed to purchase the Equity Interest and the Shareholder Loan on the terms set out in the Agreement.

## DETAILS OF THE AGREEMENT

**Date:** 10 November 2009

**Parties:** (a) a wholly-owned subsidiary of Wharf as the vendor; and  
(b) 北京華融基礎設施投資有限責任公司 as the purchaser

**Assets involved:** (1) the Vendor's entire 87.5% equity interest in BCTS; and  
(2) the shareholder loan of RMB427.7 million (equal to about HK\$485.2 million) owed by BCTS to the Vendor as at 30 September 2009

### Consideration and Payment Terms:

- (i) The consideration amount, payable to the Vendor, in respect of the Equity Interest is RMB2,280.3 million (equal to about HK\$2,586.8 million), is calculated on the basis of (subject to subsequent adjustment, if any) the proforma unaudited net tangible asset value of BCTS as at 30 September 2009 of RMB2,606.1 million (equal to about HK\$2,956.4 million) with the property Beijing Capital Times Square stated at the valuation of RMB3,188 million (equal to about HK\$3,617 million). The consideration for the Equity Interest (the "Consideration") will be payable by cash instalments as follows:

<u>Date of payment</u>	<u>Amount payable</u>
Two business days after the date of approval by SASAC	RMB456.1 million (equal to about HK\$517.4 million) (being 20% of the Consideration)
Within 5 business days after the date of approval by FISAA (such FISAA's approval to be arranged by the Purchaser after the approval by SASAC has been obtained) of the Share Transfer	RMB684.1 million (equal to about HK\$776.0 million) (being 30% of the Consideration)
Within 5 business days of the Effective Date	RMB1,140.1 million (equal to about HK\$1,293.4 million) (being 50% of the Consideration)

- (ii) The shareholder loan of RMB427.7 million (equal to about HK\$485.2 million), representing the amount of the shareholder loan owed by BCTS to the Vendor as at 30 September 2009, and will be fully payable, on a dollar-for-dollar basis, by cash instalments by the Purchaser to the Vendor as follows:

<u>Date of payment</u>	<u>Amount payable</u>
Within 5 business days after the date of approval by FISAA of the Share Transfer	RMB213.85 million (equal to about HK\$242.6 million)(being 50% of the Shareholder Loan)

Within 5 business days of the  
Effective Date

RMB213.85 million (equal to about HK\$242.6  
million)(being 50% of the Shareholder Loan)

### **Completion:**

Completion is conditional upon approval(s) from SASAC being obtained on or before 31 December 2009 and will take place not later than three months after the date of approval by SASAC. In the event of the relevant approval(s) not being obtained by 31 December 2009, the Agreement will become null and void and cease to be binding.

### **INFORMATION ON BCTS AND THE DISPOSAL**

BCTS is a company established in Beijing, PRC on 22 February 1994 with limited liability. BCTS does not own any material assets apart from being the owner of a property in Beijing known as Beijing Capital Times Square. Currently, the Vendor holds 87.5% of the equity interests in BCTS. Its registered capital is USD59 million which has been fully contributed by its shareholders.

The net book values as at 31 December 2008 of BCTS and the Shareholder Loan in the books of Wharf was approximately HK\$1,089.7 million and HK\$493.3 million, respectively. The net profits both before and after taxation and extraordinary items attributable to the Equity Interest were about HK\$222.4 million and HK\$127.5 million for the financial year ended 31 December 2007 and about HK\$18.5 million and HK\$22.9 million for the financial year ended 31 December 2008, respectively.

The Group intends to apply the sale proceeds of the Disposal for general corporate purposes. Upon completion of the Disposal, the Group will no longer have any interest in BCTS, which will therefore cease to be a subsidiary of the Company.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal effectively values the property Beijing Capital Times Square at RMB3,188 million (equal to about HK\$3,617 million). In addition to the revaluation surpluses previously realized, it would enable the Group to realize a further net profit after tax in the amount of approximately HK\$1.2 billion over the book value of the property as at 30 June 2009.

Furthermore, it would enable the Group to replenish its acquisition strategy and to re-invest in some of the many interesting prospects for improving the overall return of its portfolio of investment properties.

## **REGULATORY ASPECTS**

The Agreement was entered into on an arm's length and willing-buyer and willing-seller basis after due negotiation between the parties.

On the basis that one or more of the applicable percentage ratios in respect of the Disposal is/are greater than 5% while all such ratios are below 25% for the purposes of Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

The principal business activities of the 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 Purchaser and its subsidiaries are property development and investment. To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and not its connected persons. The directors of the Company are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

As at the date of this announcement, the board of directors of the Company 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.

## **DEFINITIONS**

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

“Agreement”	the agreement dated 10 November 2009 entered into between the Vendor and the Purchaser for the sale and purchase of the Equity Interest and the Shareholder Loan
“BCTS”	Beijing Capital Times Square Development Co., Ltd., a company incorporated in PRC
“Company”	Wheelock and Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange

“Disposal”	the disposal of the Equity Interest and the Shareholder Loan by the Vendor to the Purchaser pursuant to the Agreement
“Effective Date”	the date on which the Share Transfer is effected and the Equity Interest is legally registered in the name of the Purchaser
“Equity Interest”	87.5% equity interest in BCTS, being the Vendor’s entire equity interest in BCTS
“FISAA”	外商投資主管部門 (Foreign Investment Supervision and Administration Authorities)
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	北京華融基礎設施投資有限責任公司 (a company with limited liability incorporated and existing in, and under the laws of PRC)
“SASAC”	國資委相關部門 (relevant department(s) under State-owned Assets Supervision and Administration Commission)
“Share Transfer”	the transfer of the Equity Interest from the Vendor to the Purchaser
“Shareholder Loan”	RMB427.7 million, representing the amount of shareholder loan owed by BCTS to the Vendor as at 30 September 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Malaga Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Wharf
“Wharf”	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange, and a 50.02%-owned subsidiary of the Company

*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\$1.1344 = 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 Board  
**WHEELOCK AND COMPANY LIMITED**  
**Wilson W. S. Chan**  
Company Secretary

Hong Kong, 10 November 2009