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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 1 February 2010, a wholly-owned subsidiary of Wharf (which is a listed subsidiary of Wheelock) together with a wholly-owned subsidiary of COLI, jointly on a 50:50 ownership basis, succeeded in bidding for the Land at a price of RMB2,700 million (equal to about HK\$3,072 million). The Wharf Group and the COLI Group will jointly develop the Land, on a 50:50 ownership basis, into residential and commercial properties. Also on 1 February 2010, 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. 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 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.

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.

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 shares in Wheelock (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 shareholder 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 1 February 2010, a wholly-owned subsidiary of Wharf together with a wholly-owned subsidiary of COLI, jointly on a 50:50 ownership basis, succeeded in bidding for the Land at a price of RMB2,700 million (equal to about HK\$3,072 million). The Wharf Group and the COLI Group will jointly develop the Land, on a 50:50 ownership basis, into residential and commercial properties. Also on 1 February 2010, Wharf entered into the Framework Agreement with COLI for the purpose of joint bidding and development of the Land.

The Land is situated in 河北區鐵東路東側 in Tianjin, the PRC.

## **DETAILS OF THE TENDER**

Bidding Date : 1 February 2010

Parties : (a) Tianjin Municipal Bureau of Land Resources and Housing Management (天津市國土資源和房屋管理局) as the vendor;  
and

- (b) a wholly-owned subsidiary of Wharf together with a wholly-owned subsidiary of COLI as the purchasers.

Purpose : Development of the Land into residential and commercial properties with a site area of about 1.62 million square feet and a total gross floor area of about 5.26 million square feet with about 74.5% for residential purpose and the remaining area of about 25.5% for commercial purpose.

## CONSIDERATION AND PAYMENT TERMS

The total consideration amount, payable to the abovementioned vendor, for acquiring the land use rights of the Land is RMB2,700 million (equal to about HK\$3,072 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 26 January 2010	RMB700 million (equal to about HK\$796 million) (being the deposit for the bidding)
Upon signing of the relevant Land contract (such contract to be signed on or before 2 March 2010)	RMB760 million (equal to about HK\$865 million)
Within 60 days of the signing of the relevant Land contract	RMB1,240 million (equal to about HK\$1,411 million) (being the entire balance of the Land cost)

Such consideration amount was the outcome of a public bidding held by 天津土地交易中心 (an entity acting for Tianjin Municipal Bureau of Land Resources and Housing Management (天津市國土資源和房屋管理局)) on 1 February 2010 which was conducted in accordance with the relevant PRC laws and regulations. It represents an accommodation value on the basis of about RMB513 (equal to about HK\$584) per square foot. 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 1 February 2010, Wharf entered into the Framework Agreement with COLI in order to facilitate the joint bidding of the Land on a 50:50 ownership basis. It was agreed between the Wharf Group and the COLI Group that following the successful bidding of the Land, the Project Company to be owned as to 50% by each of the Wharf Group and the COLI Group will be incorporated for the purpose of, *inter alia*, the development of the Land.

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 provided by Wharf Group and COLI Group in proportion to their respective shareholding interests in the Project Company.

## **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.

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. 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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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.

## **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 1 February 2010 in relation to the joint bidding of the Land and the proposed formation of the Project Company for the development of the Land

“Harbour Centre”	Harbour Centre Development Limited (stock code: 51), a 70%-owned subsidiary of Wharf incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“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
“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”	a piece of land in Tianjin, the PRC with a total site area of approximately 1.62 million square feet located at 河北區鐵東路東側
“Land Transaction”	the successful bidding for the acquisition of the land use rights of the Land on 1 February 2010 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 owned as to 50% by each of the Wharf Group and the COLI Group 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, the shares of which 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
“%”	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\$1.1376 = 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, 2 February 2010