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Established 1886

THE WHARF (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 4



Founded 1857

WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 20

**COMPLETION OF THE ISSUE OF
2.30 PER CENT. GUARANTEED CONVERTIBLE BONDS DUE 2014
BY WHARF FINANCE (2014) LIMITED
GUARANTEED BY, AND CONVERTIBLE INTO ORDINARY SHARES OF,
THE WHARF (HOLDINGS) LIMITED**

JOINT ANNOUNCEMENT

Summary

The Convertible Bonds were issued on 7 June 2011.

Wharf has invested HK\$7.3 billion, being proceeds from the Rights Issue in March 2011, in acquiring development sites in Mainland China.

Reference is made to the joint announcements by Wharf and Wheelock:

- (1) relating to the issue of an aggregate principal amount of HK\$6.22 billion of 2.30 per cent guaranteed convertible bonds due 2014 by Wharf Finance (2014) Limited (the "Convertible Bonds") guaranteed by, and convertible into ordinary shares of, Wharf, dated 17 May 2011 (the "CB Announcement"); and
- (2) relating to the Rights Issue dated 10 February 2011 (and together with Wharf's related announcement dated 17 March 2011, the "Rights Issue Announcements").

Unless otherwise stated herein, words and expressions defined in the CB Announcement and the Rights Issue Announcements shall have the same meanings when used in this announcement.

COMPLETION OF THE ISSUE OF CONVERTIBLE BONDS

Approval has been granted for (i) the listing of the Convertible Bonds on the Singapore Exchange Securities Trading Limited and (ii) the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange, which were conditions precedent for the completion of the Subscription Agreement.

As the other conditions precedent for the completion of the Subscription Agreement have also been fulfilled, the Subscription Agreement has been completed and the Convertible Bonds were issued on 7 June 2011 pursuant to the General Mandate granted to the directors of Wharf at the annual general meeting of Wharf held on 8 June 2010.

As disclosed in the CB Announcement, the issue of the Convertible Bonds constituted a deemed disposal by Wheelock of a part of its shareholding in Wharf, as Wheelock's 50.02% shareholding in Wharf would fall to 48.91% if the Convertible Bonds were to be converted in full. Nevertheless, Wheelock will continue to consolidate Wharf as a subsidiary in Wheelock's financial statements subsequent to such shareholding change.

As the Convertible Bonds may or may not be converted into Conversion Shares, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

UPDATE ON THE USE OF PROCEEDS FROM THE RIGHTS ISSUE

The net proceeds from the Rights Issue, which was completed in March 2011, amounted to HK\$9.98 billion of which HK\$7.3 billion has been applied towards the payment of land acquisition costs in respect of property development projects in Mainland China with the balance of HK\$2.68 billion to be applied towards financing additional property and related investment in Mainland China in line with Wharf's overall business strategy.

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

By order of the directors of
WHEELOCK AND COMPANY LIMITED
Wilson W. S. Chan
Company Secretary

Hong Kong, 7 June 2011

As at the date of this announcement, the board of directors of Wharf comprises Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Ms. Doreen Y. C. 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, and the board of directors of Wheelock comprises Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Mr. Paul Y. C. Tsui and Mr. Ricky K. Y. Wong, together with five independent non-executive directors, namely, Mr. Alexander S. K. Au, Mr. B. M. Chang, Mr. Herald L. F. Lau, Mr. Kenneth W. S. Ting and Mr. Glenn S. Yee.