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**WHEELLOCK**

*Founded 1857*

**WHEELLOCK AND COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 20



**HARBOUR CENTRE DEVELOPMENT LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 51

**DISCLOSEABLE TRANSACTION**

**MAJOR TRANSACTION**

## **JOINT ANNOUNCEMENT**

The boards of directors of Wheelock and Company Limited and of its listed subsidiary Harbour Centre Development Limited wish to announce that on 6 November 2013, the HCDL Group was awarded the Site in a Government tender at a price of HK\$4,400 million.

For HCDL, given the size or value thereof, the Transaction constitutes a major transaction under the Listing Rules. The Transaction is subject to the requirements for reporting and announcement by HCDL, while the requirement for approval by HCDL's shareholders is exempted according to Rule 14.33A(1) of the Listing Rules.

For Wheelock, the Transaction constitutes a discloseable transaction under the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Rule 14.34 to Rule 14.37 of the Listing Rules.

A circular of HCDL containing, among other things, details of the Transaction will be dispatched to HCDL's shareholders in compliance with the Listing Rules as soon as practicable, expected to be on or before 27 November 2013.

## **INTRODUCTION**

The boards of directors of Wheelock and HCDL wish to announce that on 6 November 2013, the HCDL Group was awarded the Site in a Government tender at a price of HK\$4,400 million.

## **DETAILS OF THE TENDER**

- Date of Acceptance of the Tender : 6 November 2013
- Parties : (a) Hong Kong Government as the vendor; and  
(b) Smart Event as the purchaser
- Site : A piece of land with a building thereon located on Cotton Tree Drive situated between Central and Admiralty in Hong Kong known as Inland Lot No. 9036 having a site area of about 68,136 square feet.
- Purpose : Hotel purposes together with ancillary accommodation (retail shops, restaurants, pubs, fast food shops, entertainment facilities, business centres, facilities for fitness, health and sports, function rooms, exhibition facilities, conference facilities and automatic teller machines) with a total gross floor area of not exceeding 325,073 square feet.

## **THE SITE AND THE DEVELOPMENT PLAN ETC.**

The Site (Murray Building, Cotton Tree Drive, Hong Kong) is a unique property and possibly the last remaining prime site available in Central, Hong Kong, for a major hotel. A prominent landmark building and part of Hong Kong's history for nearly 50 years, Murray Building guards the intersection of traffic arteries in Central that run east-west and north-south. It is located in a neighbourhood for top government, diplomatic, finance and business offices, and has been home to various Government bureaus and departments at various times. Standing over 27 levels (basement inclusive), Murray Building commands open green views over Hong Kong Park and to Victoria Peak on several sides and is well connected to other buildings in the neighbourhood, as well as to the Mass Transit Railway.

Under the terms of the Transaction, Smart Event is required to preserve the exterior of Murray Building and convert the building into a hotel latest by the end of 2018.

In a net cash position and with a sizable investment in listed securities, the HCDL Group is in a sound financial position to undertake this investment. As at 30 June 2013, it held net cash and available-for-sale investments totaling HK\$5,690 million.

On completion of the hotel on the Site, the HCDL Group will own two unique hotels in Hong Kong that are distinguished not only in location, but also rich in history and superior in market position. The HCDL Group's existing hotel, namely, Marco Polo Hongkong Hotel, in Tsimshatsui has also been part of Hong Kong's history for nearly 50 years, the golden years of Hong Kong's economic development, and is well remembered by travelers.

## CONSIDERATION AND PAYMENT TERMS

The consideration amount (i.e. the tender price) for acquiring the Site is HK\$4,400 million, which was paid / will be payable in cash in the following manner:

<u>Date of payment</u>	<u>Amount paid / payable</u>
6 November 2013 (being the date of acceptance of the tender)	HK\$25 million (being the deposit)
Within 28 days from 6 November 2013	HK\$4,375 million (being balance of the consideration)

## REASONS FOR AND BENEFITS OF THE TRANSACTION

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

The directors of Wheelock and HCDL also consider that the terms of the Transaction are in the respective interests of Wheelock and HCDL and their respective shareholders, and the Transaction is in the ordinary and usual course of business of the Wheelock Group and the HCDL Group, on normal commercial terms, and is fair and reasonable.

## REGULATORY ASPECTS

For HCDL, since one or more of the applicable percentage ratios in respect of the financial commitment for the Transaction is/are greater than 25% while all such ratios are below 100% for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a major transaction. The Transaction is subject to the requirements for reporting and announcement by HCDL, while the requirement for approval by HCDL's shareholders is exempted according to Rule 14.33A(1) of the Listing Rules.

For Wheelock, since one or more of the applicable percentage ratios in respect of the financial commitment for the Transaction is/are greater than 5% while all such ratios are below 25% for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction and is therefore subject to the reporting and announcement requirements as set out in Rule 14.34 to Rule 14.37 of the Listing Rules.

A circular of HCDL containing, among other things, details of the Transaction will be dispatched to HCDL's shareholders in compliance with the Listing Rules as soon as practicable, expected to be on or before 27 November 2013.

## GENERAL

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

As at the date of this announcement, the board of directors of Wheelock comprises Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Mr. Stewart C. K. Leung, Mr. Douglas C. K. Woo and Mr. Paul Y. C. Tsui, together with two non-executive directors, namely, Mrs. Mignonne Cheng and Mr. Ricky K. Y. Wong, and seven independent non-executive directors, namely, Mr. Tak Hay Chau, Mr. Winston K. W. Leong, Mr. Alan H. Smith, Mr. Richard Y. S. Tang, Mr. Kenneth W. S. Ting, Ms. Nancy S. L. Tse and Mr. Glenn S. Yee, and the board of directors of HCDL comprises Mr. Stephen T. H. Ng, Mr. Kevin K. P. Chan, Mr. Paul Y. C. Tsui and Hon. Frankie C. M. Yick, together with five independent non-executive directors, namely, Dr. Joseph M. K. Chow, Mr. H. M. V. de Lacy Staunton, Hon. Andrew K. Y. Leung, Mr. Michael T. P. Sze and Mr. Brian S. K. Tang.

## TERMS USED IN THIS ANNOUNCEMENT

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

“Government” or “Hong Kong Government”	the Government of Hong Kong
“HCDL”	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 non-wholly owned subsidiary of Wheelock
“HCDL Group”	HCDL together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Site”	a piece of land with a building thereon located on Cotton Tree Drive situated between Central and Admiralty in Hong Kong known as Inland Lot No. 9036 having a site area of about 68,136 square feet
“Smart Event”	Smart Event Investments Limited, a wholly-owned subsidiary of HCDL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the award of the Site by tender on 6 November 2013

“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
“%”	per cent.

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

By order of the board of directors of  
**HARBOUR CENTRE DEVELOPMENT LIMITED**  
**H. O. Hung**  
Company Secretary

Hong Kong, 6 November 2013