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WHEELOCK AND COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
Stock Code: 20

CONNECTED TRANSACTION

The board of directors of Wheelock wishes to announce that on 18 December 2013, a wholly-owned subsidiary of Wharf (which is a listed subsidiary of Wheelock) entered into the Joint Venture Agreement with a wholly-owned subsidiary of CMP for the purpose of the joint development of the Land through the subscription of 50% equity interest in the Project Company at a consideration and/or contribution of a total amount of RMB881.5 million (equal to about HK\$1,118.36 million). The Wharf Group and the CMP Group will jointly develop the Land, on a 50:50 ownership basis, into residential properties.

The ultimate holding company of CMP is also the holding company of a substantial shareholder of Modern Terminals Limited, and Modern Terminals Limited is a 68% non-wholly owned subsidiary of Wharf. As such, CMP together with its subsidiaries are regarded as connected persons of Wheelock within the meaning of the Listing Rules and therefore, the Transaction constitutes a connected transaction for Wheelock.

Since one or more of the applicable percentage ratios in respect of the financial commitment for the Transaction is/are greater than 1% while all such ratios are below 5% for the purposes of Rule 14A.32 of the Listing Rules, the 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.

INTRODUCTION

The board of directors of Wheelock wishes to announce that on 18 December 2013, a wholly-owned subsidiary of Wharf (which is a listed subsidiary of Wheelock) entered into the Joint Venture Agreement with a wholly-owned subsidiary of CMP for the purpose of the joint development of the Land through the subscription of 50% equity interest in the Project Company at a consideration and/or contribution of a total amount of RMB881.5 million (equal to about HK\$1,118.36 million). The Wharf Group and the CMP Group will jointly develop the Land, on a 50:50 ownership basis, into residential properties.

DETAILS OF THE JOINT VENTURE AGREEMENT

On 18 December 2013, a wholly-owned subsidiary of Wharf and a wholly-owned subsidiary of CMP entered into the Joint Venture Agreement, for the purpose of joint development of the Land through the Project Company on a 50:50 ownership basis.

Pursuant to the terms of the Joint Venture Agreement, the Wharf Group will acquire 50% interest in the Land by contributing to the Project Company an amount in cash of RMB881.5 million (equal to about HK\$1,118.36 million), representing 50% of the purchase price paid/payable by the CMP Group for acquiring the land use rights of the Land. The Land was acquired by the CMP Group via a government land auction in Hangzhou in the PRC on 12 September 2013 at a price of RMB1,763 million (equal to about HK\$2,236.72 million). Upon completion of the contribution by the Wharf Group, the Project Company will be owned as to 50% by each of the Wharf Group and the CMP Group for the purpose of, *inter alia*, the development of the Land.

The Land is situated in 杭州市拱墅區申花單元 in Hangzhou, the PRC with a total site area of approximately 40,000 square metre. It is for the development of residential properties.

As at the date of this announcement, the total financial commitment to the Wharf Group (other than the aforesaid contribution to the Project Company) for the development of the Land is yet to be determined between the parties. However, under the Joint Venture Agreement, it was agreed that in the event that working capital is required for the Land development, such capital requirement would be funded by way of shareholders' loans to be provided by the Wharf Group and the CMP Group in proportion to their respective shareholding interests in the Project Company.

The Wharf Group's capital contribution to the Project Company will be partly funded from its internal resources and partly funded by bank borrowings by the Wharf Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

The directors, including the independent non-executive directors, of Wheelock, also consider that the terms of the Transaction are in the interest of Wheelock and its shareholders, and the Transaction is in the ordinary and usual course of business of the Wheelock Group, on normal commercial terms, and are fair and reasonable.

REGULATORY ASPECTS

The ultimate holding company of CMP is also the holding company of a substantial shareholder of Modern Terminals Limited, and Modern Terminals Limited is a 68% non-wholly owned subsidiary of Wharf (which is a listed subsidiary of Wheelock). As such, CMP together with its subsidiaries are regarded as connected persons of Wheelock within the meaning of the Listing Rules and therefore, the Transaction constitutes a connected transaction for Wheelock. None of the directors of Wheelock has any material interest in the Transaction.

Since one or more of the applicable percentage ratios in respect of the financial commitment for the Transaction is/are greater than 1% while all such ratios are below 5% for the purposes of Rule 14A.32 of the Listing Rules, the 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.

GENERAL

The principal business activities of the Wheelock 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 CMP 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. 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.

TERMS USED IN THIS ANNOUNCEMENT

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

“CMP”	China Merchants Property Development Co., Ltd., a company incorporated in PRC, whose shares are listed on the Shenzhen Stock Exchange
“CMP Group”	CMP together with its subsidiaries
“connected person(s)”	shall have the same meaning ascribed to the Listing Rules
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	a joint venture agreement and a related supplemental agreement both dated 18 December 2013 entered into between a wholly-owned subsidiary of Wharf and a wholly-owned subsidiary of CMP for the purpose of the joint development of the Land, on a 50:50 ownership basis, through the Project Company
“Land”	a piece of land in Hangzhou, the PRC with a total site area of approximately 40,000 square metre located at 杭州市拱墅區申花單元
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“Project Company”	a company with limited liability, to be owned as to 50% by each of the Wharf Group and the CMP Group, which was recently incorporated in the PRC for owning and for the development of the Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the entering into of the Joint Venture Agreement for the joint development of the Land by the Wharf Group and the CMP Group through the Project Company and together with the relevant transactions contemplated thereunder
“Wharf”	The Wharf (Holdings) Limited (stock code: 4), a 52%-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\$1.2687 = 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

Hong Kong, 19 December 2013