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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)

**Connected Transaction**

**Connected & Discloseable Transactions**

## **JOINT ANNOUNCEMENT**

### **SALE AND PURCHASE OF THE ENTIRE ISSUED SHARE CAPITAL OF AGGRESSIVE ENTERPRISES, BEING THE INDIRECT OWNER OF THE COMMERCIAL PROPERTY LOCATED AT 3RD TO 24TH FLOORS, WHEELOCK HOUSE, CENTRAL, HONG KONG (PROPERTY A)**

The respective Boards of Wheelock and Wharf are pleased to announce that on 14 March 2016, a wholly-owned subsidiary of Wharf entered into Agreement A to acquire from a wholly-owned subsidiary of Wheelock (i) the entire issued share capital of Aggressive Enterprises at a price of approximately HK\$3,904 million in cash and (ii) the aggregate amount of shareholder's loans due by Aggressive Enterprises as at Completion Date (amounting to HK\$1,116 million as at the date of Agreement A) on a dollar-for-dollar basis.

### **SALE AND PURCHASE OF THE ENTIRE ISSUED SHARE CAPITAL OF ESTCOURT, BEING THE INDIRECT OWNER OF THE COMMERCIAL PROPERTY LOCATED AT SHOP C, GROUND FLOOR, WHEELOCK HOUSE, CENTRAL, HONG KONG (PROPERTY B)**

In addition, the respective Boards of Wheelock and Wharf are pleased to announce that on 14 March 2016, the same wholly-owned subsidiary of Wharf entered into Agreement B to acquire from a company effectively owned by Hon. Peter K. C. Woo and his spouse (i) the entire issued share capital of Estcourt at a price of approximately HK\$904 million in cash and (ii) the aggregate amount of shareholder's loans due by Estcourt as at Completion Date (amounting to HK\$237 million as at the date of Agreement B) on a dollar-for-dollar basis.

### **REGULATORY ASPECTS**

In accordance with Chapter 14A of the Listing Rules, the Acquisition of Aggressive Enterprises constitutes a connected transaction for Wharf since Wheelock owns about 59% equity interest of Wharf and, given its value, is subject to reporting and announcement requirements by Wharf but exempt from the independent shareholders' approval requirement.

In accordance with Chapter 14A of the Listing Rules, the Acquisition of Estcourt constitutes a connected transaction for both Wheelock and Wharf since Hon. Peter K. C. Woo is the past senior director of Wheelock and the past chairman of Wharf within the preceding 12 months and, given its value, is subject to reporting and announcement requirements by both Wheelock and Wharf but exempt from the independent shareholders' approval requirement.

For Wharf, in accordance with Chapter 14 of the Listing Rules, the two transactions mentioned above together also constitute discloseable transactions and, given their aggregate value, are subject to reporting and announcement requirements by Wharf but exempt from the shareholders' approval requirement.

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

Within the Wheelock Group, all major investment properties in Hong Kong are currently held through Wharf, with the exception of Property A. Upon completion of the Acquisition of Aggressive Enterprises, that exception will be eliminated. On the other hand, investment properties represent Wharf's core business and account for about three-quarters of Wharf's core earnings. These acquisitions offer Wharf a rare opportunity to acquire a prime and very visible Central property at a reasonable yield to expand Wharf's portfolio of investment properties in Hong Kong. The directors of Wheelock and Wharf believe these acquisitions will further the business strategy of both Wheelock and Wharf and are beneficial to both Wheelock and Wharf.

### **AGREEMENT A**

- Date : 14 March 2016
- Parties : 1. Wheelock Properties, the vendor, which is a wholly-owned subsidiary of Wheelock; and  
2. City State, the purchaser, which is a wholly-owned subsidiary of Wharf.
- Assets being acquired by Wharf Group : Wheelock Properties agrees to sell and City State agrees to purchase:
1. The entire issued share capital of Aggressive Enterprises; and
  2. The aggregate amount of loans and net amounts due and owing by Aggressive Enterprises to Wheelock Properties as at Completion Date and, for information purpose only, such debt was in an aggregate sum of HK\$1,116 million as at the date of Agreement A.
- Property A : The principal asset Aggressive Enterprises holds (through its wholly-owned subsidiary) is the 100% legal and beneficial interest in Property A. Details of Property A are as follows:

(a) Lot Number and Address, etc.:

ALL Those 7,527 equal undivided 11,022nd parts or shares of and in Section A, Section C and the Remaining Portion of Marine Lot No. 99 and Section A, Section B and the Remaining Portion of Marine Lot No. 100 TOGETHER with the messuages erections and the buildings thereon now known as Wheelock House at 20 Pedder Street, Central, Hong Kong (“**Wheelock House**”), together with the right to hold use occupy and enjoy 3rd to 24th Floors of the building.

(b) Description:

Wheelock House is a 25-storey (including a basement) commercial/office building completed in 1984.

Property A comprises 21 consecutive office floors (except common areas) of the Building with a total gross area of approximately 18,572.37 sq. m. (199,913 sq. ft.).

Consideration : The provisional consideration shall be an aggregate sum of HK\$5,020 million, comprising the share consideration (subject to subsequent adjustments) amounting to HK\$3,904 million and the debt consideration amounting to HK\$1,116 million.

The provisional consideration was determined after due negotiation (on an arm’s length basis where practicable) between Wheelock Properties and City State with reference to and on the basis of (i) the pro-forma consolidated net asset value of Aggressive Enterprises and its subsidiary as at Completion Date; and (ii) the appraised value of Property A as at 11 March 2016 of HK\$5,080 million valued by an independent professional valuer; and (iii) the aggregate amount of the debt in the amount of HK\$1,116 million as at the date of Agreement A.

Adjustments to the consideration : The Completion Accounts of Aggressive Enterprises will be prepared as at the Completion Date. In the event that the final consideration calculated with reference to the Completion Accounts of Aggressive Enterprises is different from the pre-adjusted consideration, either Wheelock Properties shall pay the difference of the amount to City State or City State shall pay the difference of the amount to Wheelock Properties (as the case may be) within 14 days of production of the Completion Accounts of Aggressive Enterprises.

Payment terms : 5% of the provisional consideration shall be satisfied by City State by cash upon signing of Agreement A and the remaining balance (subject to any subsequent adjustments) shall be satisfied by City State by cash on Completion.

Completion : Agreement A shall be completed on or before 31 May 2016.

The Wharf Group will pay the consideration from internal resources and borrowings.

### **Information on Aggressive Enterprises**

Aggressive Enterprises was incorporated under the laws of the British Virgin Islands. Wheelock Properties acquired the entire issued share capital of Aggressive Enterprises at par value of US\$1 each at US\$500 (being the original acquisition cost to Wheelock Properties). As at the date of Agreement A, Aggressive Enterprises, through its wholly-owned subsidiary, legally and beneficially owns Property A. Based on the information provided by Wheelock Properties, apart from the above, Aggressive Enterprises is not engaged in any business activities.

The key financial information of Aggressive Enterprises based on the consolidated financial statements of Aggressive Enterprises for each of the two years ended 31 December 2014 and 2015 is set out below:

	<b>For the year ended 31 December</b>	
	<b>2014</b>	<b>2015</b>
	<i>HK\$</i>	<i>HK\$</i>
Profit before tax	197 million	933 million
Profit after tax	179 million	912 million

The pro-forma consolidated net asset value of Aggressive Enterprises as at Completion Date is expected to be HK\$3,904 million.

### **AGREEMENT B**

Date : 14 March 2016

Parties : 1. Champion Honest, the vendor; and  
2. City State, the purchaser

Assets being acquired : Champion Honest agrees to sell and City State agrees to purchase:

1. The entire issued share capital of Estcourt; and
2. The aggregate amount of loans and net amounts due and owing by Estcourt to Champion Honest as at Completion Date and, for information purpose only, such debt was in an aggregate sum of HK\$237 million as at the date of Agreement B.

Property B : The principal asset Estcourt holds (through its wholly-owned subsidiaries) is the 100% legal and beneficial interest in Property B. Details of Property B are as follows:

(a) Lot Number and Address, etc.:

ALL Those 543 equal undivided 11,022nd parts or shares of and in Section A, Section C and the Remaining Portion of Marine Lot No. 99 and Section A, Section B and the Remaining Portion of Marine Lot No. 100 TOGETHER with the messuages erections and the buildings thereon now known as Wheelock House, together with the right to hold use occupy and enjoy Unit C on Ground Floor of the building.

(b) Description:

Property B comprises a shop unit on Ground Floor of Wheelock House with a total gross area of approximately 370.4 sq. m. (3,987 sq. ft.).

Consideration : The provisional consideration shall be an aggregate sum of HK\$1,141 million, comprising the share consideration (subject to subsequent adjustments) amounting to HK\$904 million and the debt consideration amounting to HK\$237 million.

The provisional consideration was determined after due negotiation (on an arm's length basis where practicable) between Champion Honest and City State with reference to and on the basis of (i) the pro-forma consolidated net asset value of Estcourt and its subsidiaries as at the Completion Date; and (ii) the appraised value of Property B as at 11 March 2016 of HK\$1,150 million being the lower of two valuations as provided by two independent professional valuers; and (iii) the aggregate amount of the debt in the amount of HK\$237 million as at the date of Agreement B.

Adjustments to the consideration : The Completion Accounts of Estcourt will be prepared as at the Completion Date. In the event that the final consideration calculated with reference to the Completion Accounts of Estcourt is different from the pre-adjusted consideration, either Champion Honest shall pay the difference of the amount to City State or City State shall pay the difference of the amount to Champion Honest (as the case may be) within 14 days of production of the Completion Accounts of Estcourt.

Payment terms : 5% of the provisional consideration shall be satisfied by City State by cash upon signing of Agreement B and the remaining balance (subject to any subsequent adjustments) shall be satisfied by City State by cash on Completion.

Completion : Agreement B shall be completed on or before 31 May 2016.

The Wharf Group will pay the consideration from internal resources and borrowings.

### **Information on Estcourt**

Estcourt was incorporated under the laws of the British Virgin Islands. Champion Honest acquired the entire issued share capital of Estcourt at par value of US\$1 each at US\$500 (being the original acquisition cost to Champion Honest). As at the date of Agreement B, Estcourt, through its wholly-owned subsidiaries, legally and beneficially owns Property B. Based on the information provided by Champion Honest, apart from the above, Estcourt is not engaged in any business activities.

The key financial information of Estcourt based on the consolidated financial statements of Estcourt for each of the two years ended 31 December 2014 and 2015 is set out below:

	<b>For the year ended 31 December</b>	
	<b>2014</b>	<b>2015</b>
	<i>HK\$</i>	<i>HK\$</i>
Profit before tax	56 million	154 million
Profit after tax	52 million	150 million

The pro-forma consolidated net asset value of Estcourt as at Completion Date is expected to be HK\$904 million.

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

Within the Wheelock Group, all major investment properties in Hong Kong are currently held through Wharf, with the exception of Property A. Upon completion of the Acquisition of Aggressive Enterprises, that exception will be eliminated.

On the other hand, investment properties represent Wharf's core business and account for about three-quarters of Wharf's core earnings. These acquisitions offer Wharf a rare opportunity to acquire a prime and very visible Central property at a reasonable yield to expand Wharf's portfolio of investment properties in Hong Kong.

The directors of Wheelock and Wharf believe these acquisitions will further the business strategy of both Wheelock and Wharf and are beneficial to both Wheelock and Wharf.

### **REGULATORY ASPECTS**

In respect of Agreement A, Wheelock Properties is wholly owned by Wheelock, and therefore is a connected person of Wharf under Chapter 14A of the Listing Rules. The Acquisition of Aggressive Enterprises therefore constitutes a connected transaction for Wharf under the Listing Rules.

For Wharf, since the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition of Aggressive Enterprises exceed 0.1% but are below 5%, the Acquisition of Aggressive Enterprises is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of Agreement B, Champion Honest is a company effectively owned and controlled by Hon. Peter K. C. Woo and his spouse. Since Hon. Peter K. C. Woo is the past senior director of Wheelock and the past chairman of Wharf within the preceding 12 months, Champion Honest is a connected person of Wheelock and Wharf, and the Acquisition of Estcourt constitutes a connected transaction for both Wheelock and Wharf under Chapter 14A of the Listing Rules.

For each of Wheelock and Wharf, since the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition of Estcourt exceed 0.1% but are below 5%, the Acquisition of Estcourt is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Furthermore, for Wharf, in accordance with Chapter 14 of the Listing Rules, the two transactions together constitute discloseable transactions. Since one of the applicable percentage ratios (which is applicable only to a discloseable transaction but not connected transaction) exceed 5% but below 25%, while all other applicable ratios are below 5%, the two transactions are subject to the requirements in respect of reporting and announcement (in the form of discloseable transaction) but exempt from the shareholders' approval requirements.

## **GENERAL**

The principal business activities of Wheelock Group and Wharf Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

The principal business activity of both Wheelock Properties and Champion Honest is investment holding.

The directors (except Mr. Douglas C. K. Woo, being the only director regarded as having a material interest in the Acquisition of Estcourt by reason of Hon. Peter K. C. Woo being his father, abstained from participating in the approval of the board resolutions of Wheelock in relation to the Acquisition of Estcourt; no other director has any material interest in any of the two transactions), including the independent non-executive directors, of each of Wheelock and Wharf are of the view that the terms of the Acquisition (or, in the case of Wheelock, the disposal) of Aggressive Enterprises and the Acquisition of Estcourt and the relevant transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of Wheelock Group and Wharf Group, and believe that the Acquisition of Aggressive Enterprises and the Acquisition of Estcourt are fair and reasonable, and in the interests of Wheelock as well as Wharf and their respective shareholders as a whole.

As at the date of this announcement, the Board of Wheelock comprises Mr. Douglas C. K. Woo, Mr. Stephen T. H. Ng, Mr. Stewart C. K. Leung, Mr. Paul Y. C. Tsui, Mr. Ricky K. Y. Wong and Mrs. Mignonne Cheng, together with 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 Wharf comprises Mr. Stephen T. H. Ng, Mr. Andrew O. K. Chow, Ms. Doreen Y. F. Lee, Mr. Paul Y. C. Tsui, Ms. Y. T. Leng and Mr. K. P. Chan, together with six independent non-executive directors, namely, Mr. Alexander S. K. Au, Professor Edward K. Y. Chen, Hon. Vincent K. Fang, Mr. Hans Michael Jebsen, Mr. David M. Turnbull and Professor E. K. Yeoh.

## **DEFINITIONS**

“Acquisition of Aggressive Enterprises”      the transactions contemplated under Agreement A

“Acquisition of Estcourt”      the transactions contemplated under Agreement B

“Aggressive Enterprises”	Aggressive Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“Agreement A”	the sale and purchase agreement entered into between Wheelock Properties and City State on 14 March 2016
“Agreement B”	the sale and purchase agreement entered into between Champion Honest and City State on 14 March 2016
“Board(s)”	the board(s) of directors
“Champion Honest”	Champion Honest International Limited, a company incorporated in the British Virgin Islands with limited liability
“City State”	City State Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Wharf
“Completion”	completion of the Acquisition of Aggressive Enterprises and Acquisition of Estcourt in accordance with the terms and conditions of Agreement A and Agreement B, respectively
“Completion Accounts of Aggressive Enterprises”	the unaudited consolidated accounts of Aggressive Enterprises covering the period from 1 January 2016 to the Completion Date
“Completion Accounts of Estcourt”	the unaudited consolidated accounts of Estcourt covering the period from 1 January 2016 to the Completion Date
“Completion Date”	On or before 31 May 2016 (or such other date as the respective parties to Agreement A and Agreement B may agree in writing)
“connected person”	shall have the meaning as ascribed to it under the Listing Rules
“Estcourt”	Estcourt International Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Property A”	the commercial property located at 3rd to 24th Floors, Wheelock House, 20 Pedder Street, Central, Hong Kong
“Property B”	the commercial property located at Unit C, Ground Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States
“Wharf”	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 4)
“Wharf Group”	Wharf and its subsidiaries
“Wheelock”	Wheelock and Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 20)
“Wheelock Group”	Wheelock and its subsidiaries, including the Wharf Group
“Wheelock Properties”	Wheelock Properties Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Wheelock

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**  
**Kevin C. Y. Hui**  
*Company Secretary*

Hong Kong, 14 March 2016