



**WHEELOCK**

*Founded 1857*

**WHEELOCK AND COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 20

*Directors:*

Mr. Douglas C. K. Woo, JP (*Chairman & Managing Director*)  
Mr. Stephen T. H. Ng (*Deputy Chairman*)  
Mr. Stewart C. K. Leung (*Vice Chairman*)  
Mr. Paul Y. C. Tsui (*Executive Director & Group Chief Financial Officer*)  
Mr. Ricky K. Y. Wong (*Executive Director*)  
Mr. Horace W. C. Lee (*Director*)  
Mr. Tak Hay Chau, GBS (*Independent Non-executive Director*)  
Mrs. Mignonne Cheng (*Non-executive Director*)  
Mr. Winston K. W. Leong (*Independent Non-executive Director*)  
Mr. Alan H. Smith, JP (*Independent Non-executive Director*)  
Mr. Richard Y. S. Tang, SBS, JP (*Independent Non-executive Director*)  
Mr. Kenneth W. S. Ting, SBS, JP (*Independent Non-executive Director*)  
Ms. Nancy S. L. Tse, JP (*Independent Non-executive Director*)  
Dr. Glenn S. Yee (*Independent Non-executive Director*)

*Registered Office:*

23rd Floor,  
Wheelock House,  
20 Pedder Street,  
Hong Kong

21 May 2020

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF  
WHEELOCK AND COMPANY LIMITED  
BY ADMIRAL POWER HOLDINGS LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 673 OF THE COMPANIES ORDINANCE)  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING BY  
WHEELOCK AND COMPANY LIMITED**

**INTRODUCTION**

On 27 February 2020, the Offeror and the Company jointly announced that on 25 February 2020 the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises (i) the distribution to Shareholders of one Wharf REIC Share and one Wharf Share in respect of each Share they hold at the Proposal Record Date; and (ii) the subsequent privatisation

of the remaining Company after the making of the Distribution in consideration of the Scheme Consideration of HK\$12.00 per Scheme Share, less the Dividend Adjustment (if any), which will be payable by the Offeror to Scheme Shareholders in cash.

The Proposal will be implemented by way of a scheme of arrangement under section 673 of the Companies Ordinance. If the Proposal is approved and implemented, the share capital of the Company will, on the Effective Date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such cancellation and extinguishment, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror.

The Offeror is making an offer to the Optionholders in accordance with Rule 13 of the Takeovers Code on the terms and conditions set out in the Option Offer Letter, which is substantially in the form set out in Appendix IX to this Scheme Document. The Option Offer is conditional upon the Scheme becoming effective.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the expected timetable as well as to give you notice of the Court Meeting and the General Meeting (together with proxy forms in relation thereto). Your attention is drawn to the following sections of this Scheme Document: (i) the letter from the Independent Board Committee set out in the "Letter from the Independent Board Committee" section; (ii) the letter from the Independent Financial Adviser set out in the "Letter from Independent Financial Adviser" section; (iii) the Explanatory Statement set out in the "Explanatory Statement" section; (iv) the terms of the Scheme set out in Appendix VII; and (v) the Option Offer Letter, substantially in the form set out in Appendix IX, of/to this Scheme Document.

## **OBJECTIVES OF THE PROPOSAL**

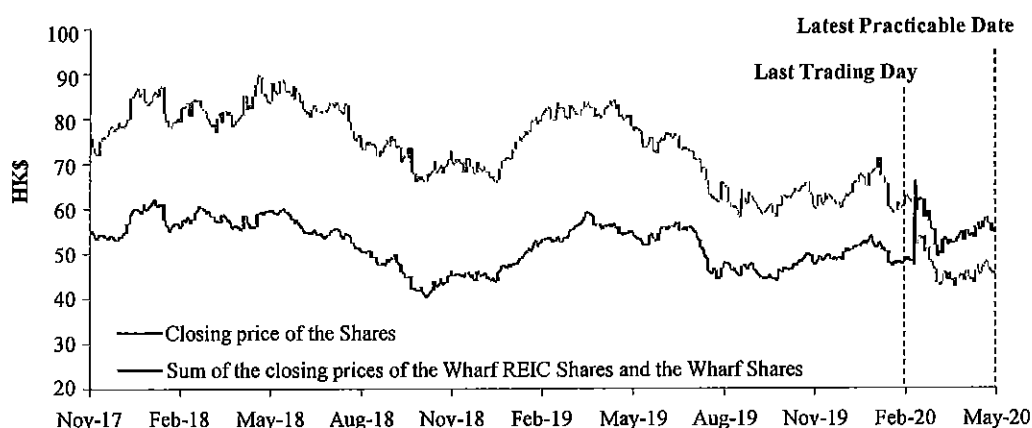
The Proposal aims to eliminate the historical holding company discount of the Company under the current tiered holding structure and, in this way, unlock value for the Shareholders.

The effect of the Proposal would be to:

- (a) distribute Wharf REIC Shares and Wharf Shares under the Distribution. The Group's consolidated interest in the NAV of the Wharf REIC Group attributable to the shareholders of Wharf REIC and the NAV of the Wharf Group attributable to the shareholders of Wharf accounted for approximately 90% of the Group Consolidated NAV as at 31 December 2019. As a result of the Distribution, Scheme Shareholders will directly hold Wharf REIC Shares and Wharf Shares instead of being interested in them only indirectly through holding Shares; and
- (b) thereafter complete the privatisation of the remaining Company for the Scheme Consideration of HK\$12.00 per Scheme Share. The Scheme Consideration represents an approximately 1.8% discount to the Company Reassessed NAV per Share of HK\$12.22. The Company Adjusted Consolidated NAV per Share of HK\$13.00 accounted for approximately 10% of the Group Consolidated NAV per Share of HK\$130.80 as at 31 December 2019 and based on the number of Shares in issue as at 31 December 2019.

The existence of a long-term historical holding company discount is illustrated by the following chart comparing the closing price of the Shares against the sum of the closing prices of the Wharf REIC Shares and the Wharf Shares (reflecting the ratio in which the Wharf REIC Shares and the Wharf Shares are to be distributed under the Distribution). The Company also held other assets (including a portfolio of properties) and liabilities.

**Comparison of the closing prices of the Shares to the sum of the closing prices of the Wharf REIC Shares and the Wharf Shares on the same day**



As at the Last Trading Day, the Company held (i) approximately 66.5% of the issued shares of Wharf REIC, and (ii) approximately 70.7% of the issued shares of Wharf, and in addition, it also held other assets (including a portfolio of properties) and liabilities.

Based on the closing prices of the respective shares of the companies on the Last Trading Day:

- (a) the Company's market capitalisation was HK\$97.0 billion;
- (b) the aggregate market value of the Company's shareholdings in Wharf REIC and Wharf was HK\$123.7 billion, which already exceeded the Company's market capitalisation by HK\$26.7 billion; and
- (c) in addition, the Company held other assets (including a portfolio of properties) and liabilities with a book net asset value of HK\$30.0 billion as at 31 December 2019.

As at the Latest Practicable Date, the Company held (i) approximately 69.64% of the issued shares of Wharf REIC, and (ii) approximately 72.99% of the issued shares of Wharf, and in addition, it also held other assets (including a portfolio of properties) and liabilities.

Based on the closing prices of the respective shares of the companies on the Latest Practicable Date:

- (a) the Company's market capitalisation was HK\$113.3 billion;
- (b) the aggregate market value of the Company's shareholdings in Wharf REIC and Wharf was HK\$98.5 billion, which was lower than the Company's market capitalisation by HK\$14.8 billion; and
- (c) in addition, the Company held other assets (including a portfolio of properties) and liabilities with a book net asset value of HK\$30.0 billion as at 31 December 2019.

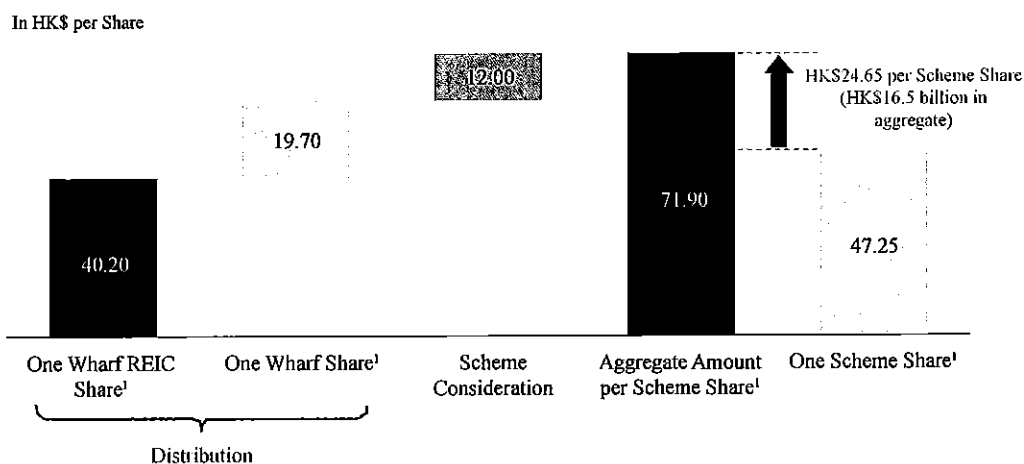
#### **BENEFITS OF THE PROPOSAL**

- (a) **Unlocking shareholder value through the elimination of the historical holding company discount of the Company's stake in Wharf REIC and Wharf**

The Proposal aims to unlock immediate value for Shareholders through the elimination of the Company's historical holding company discount associated with the existing tiered shareholding structure as Wharf REIC Shares and Wharf Shares will upon completion of the Proposal be held directly by the Scheme Shareholders.

Under the Proposal, Scheme Shareholders, other than the Non-Qualifying Shareholders, will receive by way of the Distribution one Wharf REIC Share and one Wharf Share in respect of each Share they hold as at the Proposal Record Date. In addition, Scheme Shareholders will receive the Scheme Consideration in cash of HK\$12.00 per Scheme Share, less the Dividend Adjustment (if any).

The Aggregate Amount per Scheme Share at the Last Trading Day, being (i) the Scheme Consideration of HK\$12.00 per Scheme Share in cash (without taking into account the effect of any Dividend Adjustment) payable to, and (ii) the value (based on their closing prices on the Last Trading Day) of one Wharf REIC Share and one Wharf Share to be distributed to, Scheme Shareholders (other than the Non-Qualifying Shareholders) in respect of each Share they hold at the Proposal Record Date, represents a premium of 52.2%, or HK\$24.65 (or HK\$16.5 billion in aggregate based on the total number of Scheme Shares as at the Latest Practicable Date) over the closing price of the Shares on the Last Trading Day. This is illustrated in the following diagram.



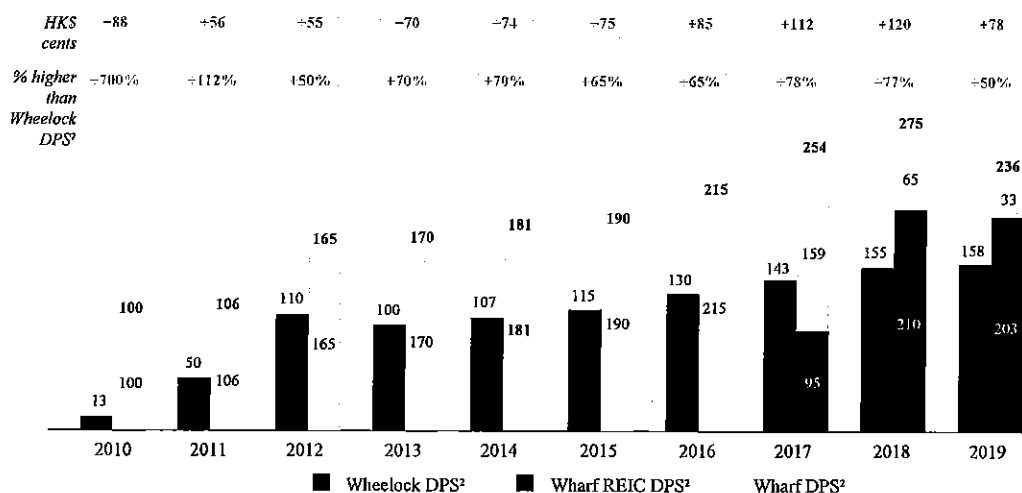
*Note 1:* Using the closing price of the Shares, Wharf REIC Shares and Wharf Shares as quoted on the Stock Exchange on the Last Trading Day

- (b) **Delivering higher dividend income from Wharf REIC Shares and Wharf Shares (and in addition each Scheme Shareholder will receive the Scheme Consideration in cash which can generate additional income to the Scheme Shareholders)**

Based on the actual cash dividend track record of the Company and Wharf since 2010 and of Wharf REIC since its spin-off from Wharf in 2017, Shareholders would have received a substantially higher combined dividend income by holding one Wharf REIC Share and one Wharf Share compared to holding one Share. For example, Shareholders would have received an average of HK189 cents annual dividend income by holding one Wharf REIC Share and one Wharf Share combined, which is 75% higher than the average of HK108 cents annual dividend income they would have received by holding one Share during the 10-year period from 2010 to 2019. This is illustrated in the diagram below.

In addition, if the Scheme becomes effective, each Scheme Shareholder will receive the Scheme Consideration in cash which can generate additional income to the Scheme Shareholders.

**Incremental cash dividend received by holders of one Wharf REIC Share and one Wharf Share as compared to one Share<sup>1</sup>**



Note 1: Dividend per share are presented as rounded numbers whereas percentages were calculated based on exact figures. You may not be able to derive the percentages from dividing the rounded numbers

Note 2: Dividend per share

**(c) Providing enhanced choice for Shareholders through separate and direct ownership of Wharf REIC Shares and Wharf Shares**

As there are clear strategic and operational differences between the business focuses of Wharf REIC and Wharf, the Proposal aims to allow Shareholders to adjust their shareholdings in Wharf REIC and Wharf according to their individual investment objectives and preferences.

**(d) Providing Shareholders with higher trading liquidity based on the historical performance of Wharf REIC Shares and Wharf Shares by comparison to the Shares**

Upon completion of the Proposal, Scheme Shareholders other than the Non-Qualifying Shareholders will hold the Wharf Shares and the Wharf REIC Shares directly, which historically have had higher trading liquidity than the Shares. As at the Last Trading Day, Wharf REIC Shares and Wharf Shares combined had approximately six times higher trading liquidity than the Shares, with a three-month average daily trading volume as at the Last Trading Day of HK\$138.3 million for Wharf REIC Shares and HK\$106.7 million for Wharf Shares compared to HK\$44.3 million for the Shares. Average daily trading volume has been calculated by taking a simple average of the daily trading volume as measured by the volume traded each day multiplied by the closing price of the relevant shares on the Stock Exchange on the relevant date for the three months' period from 22 November 2019 to 21 February 2020.

- (e) **Providing Scheme Shareholders with the opportunity to monetize their interest in the Company that remains after the Distribution at an attractive discount to its reassessed net asset value**

The Scheme Consideration of HK\$12.00 cash per Scheme Share (without taking into account any Dividend Adjustment) presents to Scheme Shareholders the opportunity to monetise their interests in the remaining Company after the Distribution at an attractive discount of approximately 1.8% to the Company Reassessed NAV per Share of approximately HK\$12.22.

## **TERMS OF THE PROPOSAL**

### **The Scheme Consideration and the Distribution**

Under the Proposal, the Scheme Consideration will be a cash amount of HK\$12.00 per Scheme Share, less the Dividend Adjustment (if any), to be paid by the Offeror.

If, after the Announcement Date, any dividend or other distribution (other than the Distribution and 2019 Second Interim Dividend) is made or paid in respect of the Scheme Shares, the Offeror reserves the right to reduce the Scheme Consideration by an amount equal to the amount of such dividend or other distribution (i.e. the Dividend Adjustment).

In addition to the Scheme Consideration, under the Proposal the Scheme Shareholders (other than the Non-Qualifying Shareholders) will also receive one Wharf REIC Share and one Wharf Share in respect of each Scheme Share they hold as at the Proposal Record Date (see the paragraphs headed “13. Information on the Group” in the “Explanatory Statement” section of this Scheme Document for further discussion on the distribution ratio information). The Distribution will be made by the Company.

### **No price increase statement**

The Scheme Consideration will not be increased and the Offeror does not reserve the right to do so. The Offeror has also advised that it will not request the Company to change the Distribution ratio of one Wharf REIC Share and one Wharf Share to each Scheme Share held as at the Proposal Record Date.

### **Comparison of value**

The Aggregate Amount per Scheme Share of HK\$71.90 on the Last Trading Day (being the total of (i) the Scheme Consideration of HK\$12.00 payable in cash (without taking into account any Dividend Adjustment), plus (ii) the value (based on their closing prices on the Last Trading Day) of the Wharf REIC Share and the Wharf Share to be distributed, in respect of each Scheme Share), represents:

- a premium of approximately 30.3% over the closing price of HK\$55.20 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

- a premium of approximately 52.2% over the closing price of HK\$47.25 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 49.1% over the average closing price of HK\$48.22 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 45.2% over the average closing price of HK\$49.52 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 43.9% over the average closing price of HK\$49.98 per Share based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 45.2% over the average closing price of HK\$49.52 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 21.5% over the 52-week high price as at the Last Trading Day of HK\$59.20 per Share based on the closing price as quoted on the Stock Exchange on 2 April 2019;
- a premium of approximately 8.3% over the all-time high closing price on the Stock Exchange as at the Last Trading Day of HK\$66.40 per Share based on the closing price as quoted on the Stock Exchange on 9 August 2017;
- a discount of approximately 45.0% to the Group Consolidated NAV per Share as at 31 December 2019 of HK\$130.80 (which Shareholders should note has not reflected the effect of the Distribution).

The Aggregate Amount per Scheme Share on the Latest Practicable Date (being the total of (i) the Scheme Consideration of HK\$12.00 payable in cash (without taking into account any Dividend Adjustment), plus (ii) the value (based on their closing prices on the Latest Practicable Date) of the Wharf REIC Share and the Wharf Share to be distributed, in respect of each Scheme Share) was HK\$57.86.

The Scheme Consideration of HK\$12.00 cash per Scheme Share (without taking into account any Dividend Adjustment) represents:

- a discount of 7.7% to the Company Adjusted Consolidated NAV per Share of HK\$13.00;
- a discount of approximately 1.8% to the Company Reassessed NAV per Share of approximately HK\$12.22;



- a premium of approximately 28.5% over the Distribution Adjusted Share Closing Price on the Latest Practicable Date of HK\$9.34;
- a premium of HK\$24.65 per Share over the Distribution Adjusted Share Closing Price on the Last Trading Day of negative HK\$12.65;
- a premium of HK\$25.23 per Share over the average Distribution Adjusted Share Closing Price over the 5 trading days up to and including the Last Trading Day of negative HK\$13.23;
- a premium of HK\$26.18 per Share over the average Distribution Adjusted Share Closing Price over the 30 trading days up to and including the Last Trading Day of negative HK\$14.18;
- a premium of HK\$25.65 per Share over the average Distribution Adjusted Share Closing Price over the 60 trading days up to and including the Last Trading Day of negative HK\$13.65;
- a premium of HK\$27.59 per Share over the average Distribution Adjusted Share Closing Price over the 180 trading days up to and including the Last Trading Day of negative HK\$15.59;
- a premium of HK\$23.29 per Share over the 52-week high, as at the Last Trading Day, Distribution Adjusted Share Closing Price on 4 February 2020 of negative HK\$11.29; and
- a premium of HK\$13.25 per Share over the all-time high, as at the Last Trading Day, Distribution Adjusted Share Closing Price on 25 November 2008 of negative HK\$1.25.

### **The Option Offer**

As at the Latest Practicable Date there were four Optionholders, namely Mr. D Woo, Mr. Stewart C K Leung, Mr. Paul Y C Tsui and Mr. Ricky K Y Wong, each a Director, holding in aggregate 4,000,000 Share Options granted under the Share Option Scheme, with an exercise price of HK\$36.60 per Share Option, of which 1,500,000 had vested and 2,500,000 are unvested. The Company had not granted any further Share Options between the Announcement Date and the Latest Practicable Date and does not intend to grant any further Share Options between the Latest Practicable Date and the Effective Date.

Pursuant to the terms of the Share Option Scheme:

- the right to exercise any Share Option had been suspended with effect from the close of business on 26 February 2020, being the day immediately preceding the Announcement Date, and shall remain suspended until the Directors otherwise determine. It is intended by the Directors that the right to exercise any outstanding Share Option will be so suspended until the completion of the Proposal;

- all the Share Options shall be cancelled on the Effective Date, in which event each Optionholder concerned shall be entitled to receive a payment in cash as full and final compensation for such cancellation (“**Option Cancellation Compensation**”). The amount of the Option Cancellation Compensation is HK\$11.62 per Share Option, which is equal to the excess of (i) the average closing price of HK\$48.22 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Trading Day, over (ii) the corresponding exercise price, being HK\$36.60, in respect of those Share Options; and
- payment of the Option Cancellation Compensation shall be made in full by the Company within one month from the Effective Date.

However, each of the four Optionholders of the total of 4,000,000 Share Options has irrevocably and unconditionally agreed to waive his entitlement to the Option Cancellation Compensation. Accordingly, the Company will not be required to pay any Option Cancellation Compensation under the Share Option Scheme.

The Offeror is making an offer to the Optionholders in accordance with Rule 13 of the Takeovers Code on the terms and conditions set out in the Option Offer Letter, which is substantially in the form set out in Appendix IX to this Scheme Document. The Share Option Offer Price of HK\$35.30 under the Option Offer, which is required to be calculated on a “see-through” basis, has been calculated as the Aggregate Amount per Scheme Share on the Last Trading Day of HK\$71.90 less the exercise price of the Share Options. The Option Offer is conditional upon the Scheme becoming effective. The Option Offer is being made in respect of all Share Options in issue on the Share Option Record Date.

Please refer to the paragraphs headed “12. Option Offer” in the “Explanatory Statement” section of this Scheme Document for details.

## **CONDITIONS OF THE PROPOSAL**

The Proposal comprises of the Scheme and the Distribution, which are conditional upon the satisfaction or waiver (as applicable) of the conditions described in the paragraphs headed “Scheme Conditions” and “Distribution Conditions”, respectively, in “4. Conditions of the Scheme and the Distribution” of the “Explanatory Statement” section of this Scheme Document.

All Scheme Conditions and Distribution Conditions will have to be satisfied or waived (as applicable), on or before the Long Stop Date, failing which the Proposal will lapse.

## **EXCLUSION FROM THE PROPOSAL OF THE SHARES MR. WOO, THE MR. WOO ENTITIES AND THE TRUSTEE ARE INTERESTED IN**

Mr. Woo, an Offeror Concert Party, has (i) agreed that the Shares held by himself and his controlled entities or nominees (being Excluded Shares) will be excluded from the Proposal and will not form part of the Scheme Shares, (ii) irrevocably and unconditionally agreed not to receive, and procure his controlled entities to irrevocably and unconditionally agree not to receive, his/its entitlements to the Wharf REIC Shares and Wharf Shares under the Distribution, and (iii) agreed to exercise or procure the exercise of all voting rights attached to the Excluded Shares held by him and his controlled entities or nominees at the General Meeting in favour of all the resolutions which are necessary to implement or otherwise relate to the Proposal.

Each of the Mr. Woo Entities has (i) agreed that the Shares held by it will be excluded from the Proposal and will not form part of the Scheme Shares, (ii) irrevocably and unconditionally agreed not to receive its entitlements to the Wharf REIC Shares and Wharf Shares under the Distribution, and (iii) agreed to exercise all voting rights attached to the Excluded Shares held by it at the General Meeting in favour of all the resolutions which are necessary to implement or otherwise relate to the Proposal.

The Trustee (in respect of the Shares held by it in its capacity as the trustee of the Trust), an Offeror Concert Party, has also (i) agreed that the Shares it holds in its capacity as the trustee of the Trust (being Excluded Shares) will be excluded from the Proposal and will not form part of the Scheme Shares, (ii) irrevocably and unconditionally agreed not to receive its entitlements in respect of Excluded Shares to the Wharf REIC Shares and Wharf Shares under the Distribution, and (iii) agreed that it will exercise or procure the exercise of all voting rights attached to the Excluded Shares held by it in its capacity as the trustee of the Trust at the General Meeting in favour of all the resolutions which are necessary to implement or otherwise relate to the Proposal.

The Excluded Shares comprise 1,385,416,330 Shares in total, representing 67.49% of the issued share capital of the Company as at the Latest Practicable Date.

## **FINANCIAL RESOURCES**

On the basis that no outstanding Share Options will be exercised (and no further Share Option will be granted on or prior to the Proposal Record Date), and on the assumption that (i) no further Shares are issued before the Proposal Record Date and (ii) no Dividend Adjustment is made, the maximum amount of cash consideration required for the Offeror to effect the Proposal (comprising the Scheme Consideration of HK\$12.00 per Scheme Share and the Share Option Offer Price payable to the Optionholders pursuant to the Option Offer) will be approximately HK\$8,150,395,484.

As at the Latest Practicable Date the Offeror is financing the entire cash amount required for the Proposal from internal cash resources and other external debt financing made available by HSBC (as lender). The Offeror does not intend that the payment of interest, or repayment of or security for any liability (contingent or otherwise) of such external debt financing, will depend to any significant extent on the business of the Group.

HSBC, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal in accordance with their respective terms.

## THE SCHEME

Under the Proposal, subject to the Scheme becoming binding and effective in accordance with its terms, each of the Scheme Shares will be cancelled and extinguished in exchange for the Scheme Consideration. Upon such cancellation and extinguishment, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued to the Offeror.

If, after the date of this Scheme Document, any dividend or other distribution (other than the Distribution and the 2019 Second Interim Dividend) is made or paid in respect of the Scheme Shares, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividend or distribution.

In addition to the Scheme Consideration, the Scheme Shareholders (other than the Non-Qualifying Shareholders, who will be subject to the arrangements set out in the section headed "The Distribution" below) will receive one Wharf REIC Share and one Wharf Share per Scheme Share under the Distribution, subject to the fulfilment of the Distribution Conditions.

### Scheme Conditions

The Scheme will become binding and effective on the Company and all Scheme Shareholders subject to the satisfaction or waiver (as applicable) of the Scheme Conditions, which are set out in the paragraphs headed "Scheme Conditions" under "4. Conditions of the Scheme and the Distribution" of the "Explanatory Statement" section of this Scheme Document.

As at the Latest Practicable Date, all the Scheme Conditions, other than Scheme Condition (5), remained subject to fulfilment (unless otherwise waived, where applicable) and none of the Scheme Conditions had been waived.

## THE DISTRIBUTION

Under the Proposal, subject to fulfilment of the Distribution Conditions, the Company will pay a special dividend (to be effected by way of a distribution in-specie) of one Wharf REIC Share and one Wharf Share in respect of each Share held at the Proposal Record Date.

Each of Mr. Woo, the Mr. Woo Entities and the Trustee, in its capacity as trustee of the Trust and in respect of Excluded Shares, (each an Offeror Concert Party) has agreed not to receive the Wharf REIC Shares and Wharf Shares to which he/it is entitled under the Distribution ("**Excluded Entitlements**").

The Excluded Entitlements (except for certain of the Wharf REIC Shares which will be distributed to the Scheme Shareholders (other than the Non-Qualifying Shareholders) under the Distribution due to the ratio of Shares to Wharf REIC Shares in which the Company is interested (through its wholly-owned subsidiaries) being 0.97 but the Distribution ratio being 1:1 (see the paragraphs headed "13. Information on the Group" in the "Explanatory Statement" section of this Scheme Document)) will be retained by the Company, and the Company will be owned as to 32.51% by the Offeror, 48.48% by the Trustee in its capacity as trustee of the Trust and 19.01% by Mr. Woo and the Mr. Woo Entities upon completion of the Proposal.

Since the Shares, the Wharf Shares and the Wharf REIC Shares are traded in board lots of 1,000 shares, any holding of those shares that is not a whole multiple of 1,000 is known as an “odd lot”. As the Wharf Shares and the Wharf REIC Shares are to be distributed in the ratio of 1:1 with each Shareholder’s holding of Shares on the Proposal Record Date, odd lots will only arise to the extent that a Shareholder has an existing odd lot. It is accordingly not proposed to put in place any special arrangements for trading odd lots of Wharf REIC Shares and Wharf Shares.

The Scheme Shareholders (other than the Non-Qualifying Shareholders) will receive the Distributable Wharf REIC and Wharf Shares, representing approximately 22.0% of Wharf REIC’s issued shares and 21.9% of Wharf’s issued shares. The Distributable Wharf REIC and Wharf Shares will be distributed to the Scheme Shareholders (other than the Non-Qualifying Shareholders) whose names appear on the Register on the Proposal Record Date. The Distributable Wharf REIC and Wharf Shares are fully-paid and will be distributed free from all Encumbrances. In respect of the entitlements of the Non-Qualifying Shareholders, arrangements will be made for the relevant Wharf REIC Shares and Wharf Shares which would otherwise have been transferred to such Non-Qualifying Shareholders to be sold in the market, and the proceeds of such sale, after deduction of expenses (including brokerage, trading tariff, trading fee, transaction levy, transfer fee), if not less than HK\$100, to be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders at their own risk. The Company will arrange for the sale of the relevant Wharf REIC Shares and Wharf Shares as soon as practicable after the Distribution is made at the then prevailing market price, which may be different from the price at which the Distributable Wharf REIC and Wharf Shares first become tradable on the Stock Exchange by the other Scheme Shareholders. The Company will thereafter arrange for the despatch of the cheques for payment of the net proceeds of such sale to the relevant Non-Qualifying Shareholders as soon as practicable and it is expected that the cheques will be despatched by Friday, 21 August 2020 in the absence of exceptional circumstances. If the amount falling to be distributed to a Non-Qualifying Shareholder is less than HK\$100, such amount will not be distributed but will be retained for the benefit of the Company.

It is expected that the Board (excluding the members of the Independent Board Committee), recognising that the Distribution is an integral part of the Proposal and is in the interest of the Shareholders as a whole, following the relevant resolutions being approved at the Court Meeting and the General Meeting, will on 16 June 2020 declare the special dividend under the Distribution, subject to the Distribution Conditions being satisfied.

It is expected that the Company will instruct the Share Registrar to effect the Distribution, subject to the Distribution Conditions being fulfilled or waived, after the High Court has sanctioned the Scheme and granted the order in relation thereto (i.e. on Wednesday, 15 July 2020), and that the process of transfer of the Distributable Wharf REIC and Wharf Shares will take approximately five Business Days (i.e. by Wednesday, 22 July 2020).

Upon the Distribution being made to the Scheme Shareholders (other than the Non-Qualifying Shareholders), an office copy of the order of the High Court will be filed with and registered by the Registrar of Companies under Part 2 of the Companies Ordinance, and the Scheme will become effective.

## Distribution Conditions

The Distribution will be subject to satisfaction of the Distribution Conditions set out in the paragraphs headed “Distribution Conditions” under “4. Conditions of the Scheme and the Distribution” in the “Explanatory Statement” section of this Scheme Document.

**WARNING: Shareholders and/or potential investors should be aware that the Scheme and the Distribution are subject to the Scheme Conditions and Distribution Conditions being fulfilled or waived (as applicable), respectively, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in Shares. If you are in doubt as to the contents of this Scheme Document, any aspect of the Proposal or any action to be taken, you are encouraged to consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.**

## SHAREHOLDING STRUCTURE OF THE COMPANY

A table setting out the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Proposal (assuming that there is no change in shareholding of the Company before completion of the Proposal) is set out in the paragraphs headed “8. Shareholding Structure of the Company” in the “Explanatory Statement” section of this Scheme Document.

As at the Latest Practicable Date, except for (i) Mr. D Woo who held 7,000,000 Shares and 1,000,000 Share Options; (ii) Mr. Stephen T. H. Ng who held 176,000 Shares; (iii) Mr. Stewart C.K. Leung who held 50,000 Shares and 1,200,000 Share Options; (iv) Mr. Paul Y C Tsui who held 300,000 Shares and 600,000 Share Options; and (v) Mr. Ricky K. Y. Wong who held 609,000 Shares and 1,200,000 Share Options, none of the Directors had any shareholding or any interest (within the meaning of Part XV of the SFO) in the Company.

As at the Latest Practicable Date:

- (a) the Company had 2,052,849,287 Shares in issue and 4,000,000 outstanding Share Options;
- (b) the Offeror did not own, control or have direction over any Shares. The Offeror Concert Parties held in aggregate 1,426,695,330 Shares representing approximately 69.50% of the issued share capital of the Company;
- (c) save as disclosed in paragraph (2) above and in the shareholding table set out in the section headed “8. Shareholding Structure of the Company” in the “Explanatory Statement” section of this Scheme Document, the Offeror Concert Parties did not legally and beneficially own, control or have direction over any Shares;
- (d) save for (i) the 1,000,000 Share Options held by Mr. D Woo and (ii) the 600,000 Share Options held by Mr. Paul Y C Tsui, there were no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;

- (e) Mr. K C Chan, an Offeror Concert Party (being a director of the Offeror), was interested in 100,000 Shares;
- (f) neither the Offeror nor the Offeror Concert Parties had entered into any outstanding derivative in respect of the securities in the Company;
- (g) neither the Offeror nor the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, save for any borrowed securities which had been either on-lent or sold;
- (h) the Scheme Shares, comprising 667,432,957 Shares, represented approximately 32.51% of the issued Shares; and
- (i) the Company had no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 2,052,849,287 Shares and the 4,000,000 Share Options.

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

Please refer to the objectives of the Proposal set out in the paragraphs headed “Objectives of the Proposal” above and the benefits of the Proposal set out in the paragraphs headed “Benefits of the Proposal” above.

#### **INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises all of the 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 Dr. Glenn S. Yee, who are not interested in the Proposal, has been established by the Board to make a recommendation (i) to the Independent Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and whether to vote in favour of the Scheme at the Court Meeting and the General Meeting and (ii) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal. Mrs. Mignonne Cheng, a non-executive Director, is the chairman of BNP Paribas Wealth Management for Asia-Pacific, which provides financial services to Mr. Woo and the Company from time to time. The Board is of the view that she is interested in the Proposal for the purpose of Rule 2.8 of the Takeovers Code and is accordingly excluded from being a member of the Independent Board Committee. All of the other non-executive Directors (namely all independent non-executive Directors) are members of the Independent Board Committee. Mr. Horace W. C. Lee, a Director who carries out an executive function in the Group, is also excluded from the Independent Board Committee.

The full text of the letter from the Independent Board Committee is set out in the “Letter from the Independent Board Committee” section of this Scheme Document.

## **INDEPENDENT FINANCIAL ADVISER**

Anglo Chinese has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal. Such appointment has been approved by the Independent Board Committee.

The full text of the letter from Anglo Chinese is set out in the “Letter from The Independent Financial Adviser” section of this Scheme Document.

## **INFORMATION ON THE GROUP AND THE OFFEROR**

### **The Group**

The Company is a company incorporated in Hong Kong with limited liability, whose Shares are listed on the Main Board of the Stock Exchange with the stock code 20. The Group includes three Hong Kong listed subsidiaries, namely Wharf REIC, Wharf and Harbour Centre.

Wharf REIC is incorporated in the Cayman Islands with limited liability, and its shares are listed on the Main Board of the Stock Exchange. The Wharf REIC Group includes Harbour Centre, whose shares are listed on the Main Board of the Stock Exchange. The Wharf REIC Group is principally engaged in property investment in Hong Kong, holding strategic and substantial commercial investment properties in Hong Kong.

Wharf is incorporated in Hong Kong with limited liability, and its shares are listed on the Main Board of the Stock Exchange. The Wharf Group is principally engaged in property investment and development as well as logistics business in Hong Kong and the PRC.

The Group’s property interests are summarised in Appendix V to this Scheme Document. In addition, the Group, in its capacity as developer, had entered into contracts with MTR Corporation Limited, being the owner of certain landed properties in Hong Kong.

From 23 February 2020 when the Offeror initially approached the Company in respect of the Offeror’s intention to make the Proposal (“**Initial Approach Date**”) up to the Latest Practicable Date, the Company made on-market acquisitions on the Stock Exchange of (i) 95,083,000 Wharf REIC Shares in aggregate for an aggregate consideration of HK\$3,009 million in cash; and (ii) 69,610,000 Wharf Shares for an aggregate consideration of HK\$959 million in cash (“**Post-Approach Acquisitions**”). Such purchases were in line with the Company’s consistent practice since 2011, based on the attractiveness of the trading prices of, and availability of sellers of substantial volume of, Wharf REIC shares or Wharf Shares at the relevant time. The Company intends to continue to acquire (through its subsidiaries) additional Wharf REIC Shares and/or Wharf Shares on-market (“**Continuing Transactions**”).

The applicable percentage ratios in respect of the Post-Approach Acquisitions and Continuing Transactions (together the “**Relevant Transactions**”) in respect of Wharf REIC Shares and/or Wharf Shares between the Initial Approach Date and the completion of the Proposal may in aggregate exceed the 5% threshold for the purpose of Rule 14.07 under the Listing Rules, in which case they will constitute discloseable transaction(s), and therefore, constitute frustrating action(s) based on Note 6 to Rule 4 of the Takeovers Code. Under Rule 4, the Company may not enter into



the Relevant Transactions without the approval of the Shareholders in general meeting unless such requirement is waived by the Executive, and under Note 1 to Rule 4, the requirement of a shareholders' meeting may be waived by the Executive if the Offeror agrees. The Company has received the written consent from the Offeror to the Relevant Transactions. Further, the Company has applied for and the Executive has granted a waiver of the requirement under Rule 4 of the Takeovers Code for approval of the Shareholders to be obtained in respect of the Relevant Transactions.

As at the Latest Practicable Date there were 2,052,849,287 Shares in issue while the Company was interested through its wholly-owned subsidiaries in 1,987,472,608 Wharf REIC Shares and 2,199,301,608 Wharf Shares representing a ratio of Shares to Wharf REIC Shares of 0.97 and a ratio of Shares to Wharf Shares of 1.07. However, these ratios will vary if the number of Shares in issue, and/or the number of Wharf REIC Shares or Wharf Shares held by the Company through its wholly-owned subsidiaries, changes between the Latest Practicable Date and the Effective Date. Accordingly, in order to give Shareholders certainty, the ratio of Shares to Wharf REIC Shares and the ratio of Shares to Wharf Shares to be distributed under the Distribution has been rounded and fixed at 1:1 in both cases.

#### **Profit Warning Announcement and Estimate of Results**

Reference is made to the Profit Warning Announcement in which the Company announced that:

- (a) based on the management information currently available to the Company including the latest unaudited management accounts of the Group for the three months ended 31 March 2020, the Board wished to advise Shareholders and investors of its preliminary estimation that the Group expects a loss attributable to Shareholders for the three months ended 31 March 2020 of approximately HK\$6 billion mainly due to the losses and/or reduced profitability of its principal businesses and the effect of unrealised revaluation deficit or impairment of the Group's investment properties, development properties and hotels thus caused. The Group's financial performance in 2020 has so far been impacted mainly by the very weak economic environment and the extreme market and operating conditions caused by COVID-19 on the Group's business; and
- (b) the Group's half year results are subject to changes in market conditions (in particular changes in the valuations of the Group's hotels and properties) for the six months ending 30 June 2020. Therefore, the results of the Group for the six months ending 30 June 2020 could significantly differ from the information contained in the Profit Warning Announcement.

As disclosed in the Profit Warning Announcement, pursuant to Rule 10 of the Takeovers Code, the profit warning ("Estimate") in the Profit Warning Announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and must be reported on by the Company's auditors and the Independent Financial Adviser in accordance with Rule 10.4 of the Takeovers Code. In this regard, the Estimate has been reported on by the Independent Financial Adviser and KPMG, the auditors of the Company, respectively. KPMG is of the opinion that, so far as the accounting policies and calculations are concerned, the Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the Profit Warning Announcement and is

presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in its published consolidated financial statements for the year ended 31 December 2019. The Independent Financial Adviser is satisfied that the Estimate has been made by the Directors with due care and consideration. Your attention is drawn to the letter from KPMG and the letter from the Independent Financial Adviser on the Estimate set out in Appendix III and Appendix IV to this Scheme Document, respectively.

### **The Offeror**

The Offeror is a private company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Woo.

Mr. Woo served as the Chairman of the Company from 1986 to 1996 and from 2002 to December 2013. He stepped down as the Chairman to assume the title of Senior Director of the Company with effect from 1 January 2014 and retired from the Board in May 2015. He was also the chairman of the major publicly listed subsidiary of the Company, namely, Wharf. He served as a member of the Standing Committee of the 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference (the "CPPCC") of the PRC. He was the convener of Hong Kong CPPCC members. In Hong Kong, he was awarded the Grand Bauhinia Medal in June 2012 and the Gold Bauhinia Star in 1998 by the Government of Hong Kong and appointed a Justice of the Peace in 1993. He was a non-official member of the Commission on Strategic Development. Previously, he served as chairman of Hospital Authority from 1995 to 2000, council chairman of Hong Kong Polytechnic University from 1993 to 1997 and chairman of Hong Kong Trade Development Council from 2000 to 2007.

### **INTENTIONS OF THE OFFEROR AND THE COMPANY**

Your attention is drawn to the paragraphs headed "15. Intentions of the Offeror and the Company" in the "Explanatory Statement" section of this Scheme Document.

The Board is aware of and welcomes the Offeror's intentions as set out in the paragraphs headed "15. Intentions of the Offeror and the Company" in the "Explanatory Statement" section of this Scheme Document that, among others, the existing businesses of the Group shall be continued, and is willing to render reasonable cooperation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole.

### **SHARE CERTIFICATES AND WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange as soon as practicable after the Effective Date. The Shareholders will be notified by way of an announcement of the exact dates of the last day of dealing in Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective.

The Board intends the listing of the Shares on the Stock Exchange to be maintained in the event that the Scheme does not become effective.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Scheme Conditions and the Distribution Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on the Offeror making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Scheme, or the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## **SCHEME SHARES, COURT MEETING AND GENERAL MEETING OF THE COMPANY**

For the purpose of exercising your right to vote at the Court Meeting and the General Meeting, you are requested to carefully read the paragraphs headed “24. Court Meeting and General Meeting” in the “Explanatory Statement” section and “Actions to be taken” section of this Scheme Document, and the notices of the Court Meeting and the General Meeting in Appendix VIII to this Scheme Document and the AGM Circular, respectively.

As at the Latest Practicable Date:

- (a) all the 667,432,957 Scheme Shares (representing approximately 32.51% of the issued share capital of the Company) are considered to be CO Disinterested Shares within the meaning of section 674(3)(a) of the Companies Ordinance; among these 667,432,957 Shares, 626,153,957 Shares (representing approximately 30.50% of the issued share capital of the Company) are considered to be Disinterested Shares within the meaning provided in Note 6 to Rule 2 of the Takeovers Code, and the remaining 41,279,000 Shares (representing approximately 2.01% of the issued share capital of the Company) were held by Mr. D Woo, Ms. J Woo, Mr. Paul Y C Tsui and Mr. K C Chan, who are Offeror Concert Parties. Only Shareholders who qualify as both Independent Shareholders and holders of CO Disinterested Shares, and not one only, will be eligible to vote at the Court Meeting;
- (b) the Offeror was not interested in any Shares. Mr. Woo, directly and through the Mr. Woo Entities, was interested in 390,194,652 Shares (representing approximately 19.01% of the issued shares of the Company). Such Shares will not form part of the Scheme Shares and will not be voted at the Court Meeting;

- (c) the Trustee, in its capacity as trustee of the Trust, an Offeror Concert Party, was interested in 995,221,678 Shares in its capacity as trustee of the Trust (representing approximately 48.48% of the issued shares of the Company). Such Shares will not form part of the Scheme Shares and will not be voted at the Court Meeting;
- (d) Mr. D Woo, an Offeror Concert Party (being the son of Mr. Woo), was interested in 7,000,000 Shares (representing approximately 0.34% of the issued shares of the Company) and held 1,000,000 Share Options. Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting, and such Share Options will be subject to the Option Offer;
- (e) Ms. J Woo, an Offeror Concert Party (being the daughter of Mr. Woo), was interested in 33,879,000 Shares (representing approximately 1.65% of the issued shares of the Company). Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting;
- (f) Mr. Paul Y C Tsui, an Offeror Concert Party (being a director of the Offeror), was interested in 300,000 Shares (representing approximately 0.01% of the issued shares of the Company) and held 600,000 Share Options. Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting, and such Share Options will be subject to the Option Offer; and
- (g) Mr. K C Chan, an Offeror Concert Party (being a director of the Offeror), was interested in 100,000 Shares (representing approximately 0.01% of the issued shares of the Company). Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting.

The Offeror will undertake to the High Court that it will be bound by the Scheme, so as to ensure that it will be subject to the terms and conditions of the Scheme.

All Shareholders will be entitled to attend the General Meeting of the Company and vote on the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished.

#### **OVERSEAS SCHEME SHAREHOLDERS**

Your attention is drawn to the paragraphs headed “21. Overseas Shareholders” in the “Explanatory Statement” section of this Scheme Document.

#### **ACTIONS TO BE TAKEN**

The actions which you are required to take in relation to the Proposal are set out in the “Actions to be taken” section of this Scheme Document and the paragraphs headed “26. Summary of Actions to be Taken” in the “Explanatory Statement” section of this Scheme Document.

## **RECOMMENDATION**

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal in the letter from the Independent Board Committee set out in the “Letter from the Independent Board Committee” section of this Scheme Document.

Anglo Chinese has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal. The text of the letter from Anglo Chinese containing its recommendation and the principal factors and reasons that it has taken into consideration in arriving at its recommendation is set out in the “Letter from the Independent Financial Adviser” section of this Scheme Document.

We would advise you to carefully read such letters of advice before you take any action in respect of the Proposal.

## **REGISTRATION AND PAYMENT**

Your attention is drawn to the paragraphs headed “20. Registration and Payment” in the “Explanatory Statement” section of this Scheme Document.

## **TAXATION AND INDEPENDENT ADVICE**

Your attention is drawn to the paragraphs headed “22. Taxation” in the “Explanatory Statement” section of this Scheme Document.

It is emphasised that none of the Offeror, the Company, HSBC, Anglo Chinese and their agents or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their approval or disapproval of the Proposal or their acceptance or rejection of the Option Offer. All Scheme Shareholders and/or Beneficial Owners and Optionholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Proposal.

## **FURTHER INFORMATION**

You are urged to carefully read the following documents:

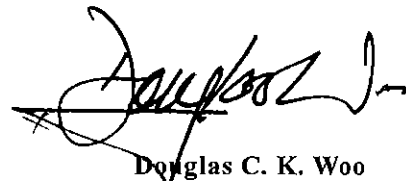
- (a) the letter from the Independent Board Committee set out in the “Letter from the Independent Board Committee” section of this Scheme Document;
- (b) the letter from Anglo Chinese, the Independent Financial Adviser, set out in the “Letter from Independent Financial Adviser” section of this Scheme Document;
- (c) the “Explanatory Statement” section of this Scheme Document;
- (d) the Appendices to this Scheme Document;
- (e) the Scheme as set out in Appendix VII to this Scheme Document;

- (f) the notice of Court Meeting as set out in Appendix VIII to this Scheme Document; and
- (g) the AGM Circular and the Notice of the General Meeting.

In addition, a **pink** form of proxy for the Court Meeting is enclosed with this Scheme Document and a **white** form of proxy for the General Meeting is enclosed with the AGM Circular.

Optionholders are urged to carefully read the Option Offer Letter, which is being sent separately to Optionholders on the date of this Scheme Document and is substantially in the form set out in “Appendix IX – Form of Option Offer Letter” to this Scheme Document, and the Form of Acceptance in respect of the Option Offer.

Yours faithfully,  
For and on behalf of the board of  
**Wheelock and Company Limited**

A handwritten signature in black ink, appearing to read 'Douglas C. K. Woo', written over a horizontal line.

**Douglas C. K. Woo**  
*Chairman & Managing Director*