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Admiral Power Holdings Limited

(incorporated in the British Virgin Islands with limited liability)

Wheelock and Company Limited

*(incorporated in Hong Kong with limited liability)
(stock code: 20)*

JOINT ANNOUNCEMENT

**(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)**

(2) PROPOSED WITHDRAWAL OF LISTING

AND

(3) RESUMPTION OF TRADING IN SHARES

Financial Adviser to the Offeror



INTRODUCTION

The Offeror and the Company jointly announce that on 25 February 2020 the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises (i) the distribution (“**Distribution**”) to Shareholders of one Wharf REIC Share and one Wharf Share in respect of each Share they hold as at the Record Date; and (ii) the privatisation of the Company 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.

Upon completion of the Proposal, the Company will be owned as to (i) 32.51% by the Offeror, (ii) 48.48% by the Trustee, being the trustee of the Trust which is a related trust of Mr. Woo’s family and an Offeror Concert Party, and (iii) 19.01% by other Offeror Concert Parties (being Mr. Woo and the Mr. Woo Entities), and the listing of the Shares will be withdrawn from the Stock Exchange.

OBJECTIVES OF THE PROPOSAL

From the perspective of the Scheme Shareholders, the effect of the Proposal is a demerger of the Company by way of distributing Wharf REIC Shares and Wharf Shares under the Distribution alongside a privatisation offer for the remaining assets held by the Company. The Proposal aims to eliminate the historical holding company discount of the Company under the current holding structure and, in this way, unlock value for the Shareholders as detailed below.

As at the Last Trading Day, the Company held (i) 66.5% of the issued shares of Wharf REIC, (ii) 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, the aggregate market value of the Company’s shareholdings in Wharf REIC and Wharf of HK\$123.7 billion exceeded the Company’s market capitalisation of HK\$97.0 billion, and in addition, the Company held other assets (including a portfolio of properties) and liabilities.

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**
- (b) Higher dividend income from Wharf REIC Shares and Wharf Shares in addition to return on cash**
- (c) Enhanced choice for Scheme Shareholders through separate and direct ownership of Wharf REIC Shares and Wharf Shares with higher trading liquidity**

TERMS OF THE PROPOSAL

The Scheme Consideration and the Distribution

Under the Proposal, subject to the Scheme becoming binding and effective in accordance with its terms, each of the Scheme Shares will be cancelled in exchange for the Scheme Consideration.

Upon such cancellation, 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. 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.

In addition to the Scheme Consideration, under the Proposal, the Scheme Shareholders will also receive one Wharf REIC Share and one Wharf Share in respect of each Scheme Share they hold on the Record Date under the Distribution. The Distribution will be made by the Company.

If, after the Announcement Date, any dividend or other distribution (other than the Distribution and any dividend that the Company may declare for the financial year ended 31 December 2019) is made or paid in respect of the Scheme Shares, the Offeror reserves the right to reduce the Scheme Consideration and the price for the Option Offer by an amount equal to the amount of such dividend or other distribution.

No price increase statement

The Scheme Consideration will not be increased and the Offeror does not reserve the right to do so.

The Option Offer

As at the Announcement Date, there are four Optionholders holding in aggregate 4,000,000 Share Options granted under the Share Option Scheme in aggregate, with an exercise price of HK\$36.60 per Share Option, of which 1,500,000 have been vested and 2,500,000 are unvested. The Company does not intend to grant any further Share Options between the Announcement Date and the Effective Date.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code. The cancellation price of each Share Option under the Option Offer, which is required to be calculated on a "see-through" basis, will be calculated as the Aggregate Amount per Scheme Share on the Last Trading Day of HK\$71.90 less the exercise price of the Share Option. The Option Offer will be conditional upon the Scheme becoming effective. The Option Offer will be made in respect of all Share Options in issue on the date on which the Option Offer is made. Details of the Option Offer will be set out in the Scheme Document.

FINANCIAL RESOURCES

On the assumption that (i) no outstanding Share Options are exercised (and no further Share Option is granted on or prior to the Record Date), (ii) no further Shares are issued before the Record Date and (iii) 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 consideration payable to Optionholders pursuant to the Option Offer) will be approximately HK\$8,150,395,484.

As at the date of this Announcement the Offeror is financing the entire cash amount required for the Proposal and the Option Offer from internal cash resources and other external debt financing.

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.

WITHDRAWAL OF LISTING

Upon completion of the Scheme, 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 of the Scheme. The Shareholders will be notified by way of a press 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. A detailed expected timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme, the Option Offer and the Distribution.

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

SCHEME DOCUMENT

The Scheme Document containing, among others, further details of the Scheme, the Option Offer and the Distribution, the expected timetable, an explanatory statement as required under the Companies Ordinance, information regarding the Company, recommendations from the Independent Board Committee with respect to the Scheme, the Option Offer and the Distribution, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of a General Meeting, together with forms of proxy in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Ordinance, the High Court and other applicable laws and regulations.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 24 February 2020 pending issuance of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 1:00 p.m. on 27 February 2020.

WARNINGS

WARNING: Shareholders and/or potential investors should be aware that the implementation of the Proposal will only become effective upon all the Scheme Conditions and the Distribution Conditions being satisfied or waived (as applicable). The Scheme is conditional upon the Distribution being made by the Company to the Scheme Shareholders, and thus if the Distribution is not made, the Scheme will not become effective, and the Proposal will lapse. Shareholders and/or potential investors should therefore exercise caution when dealing in Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor and/or other professional adviser.

INTRODUCTION

The Offeror and the Company jointly announce that on 25 February 2020 the Offeror requested the Board to put forward to the Shareholders the Proposal which comprises (i) the distribution (“**Distribution**”) to Shareholders of one Wharf REIC Share and one Wharf Share in respect of each Share they hold as at the Record Date; and (ii) the privatisation of the Company 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.

Upon completion of the Proposal, the Company will be owned as to 32.51% by the Offeror, 48.48% by the Trustee, being the trustee of the Trust which is a related trust of Mr. Woo’s family and an Offeror Concert Party, and 19.01% by other Offeror Concert Parties (being Mr. Woo and the Mr. Woo Entities), and the listing of the Shares will be withdrawn from the Stock Exchange.

OBJECTIVES OF THE PROPOSAL

From the perspective of the Scheme Shareholders, the effect of the Proposal is a demerger of the Company by way of distributing Wharf REIC Shares and Wharf Shares under the Distribution alongside a privatisation offer for the remaining assets held by the Company. The Proposal aims to eliminate the historical holding company discount of the Company under the current holding structure and, in this way, unlock value for the Company’s shareholders as detailed below.

As at the Last Trading Day, the Company held approximately (i) 66.5% of the issued shares of Wharf REIC, (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, the aggregate market value of the Company’s shareholdings in Wharf REIC and Wharf of HK\$123.7 billion exceeded the Company’s market capitalisation of HK\$97.0 billion, and in addition, the Company held other assets (including a portfolio of properties) and liabilities.

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

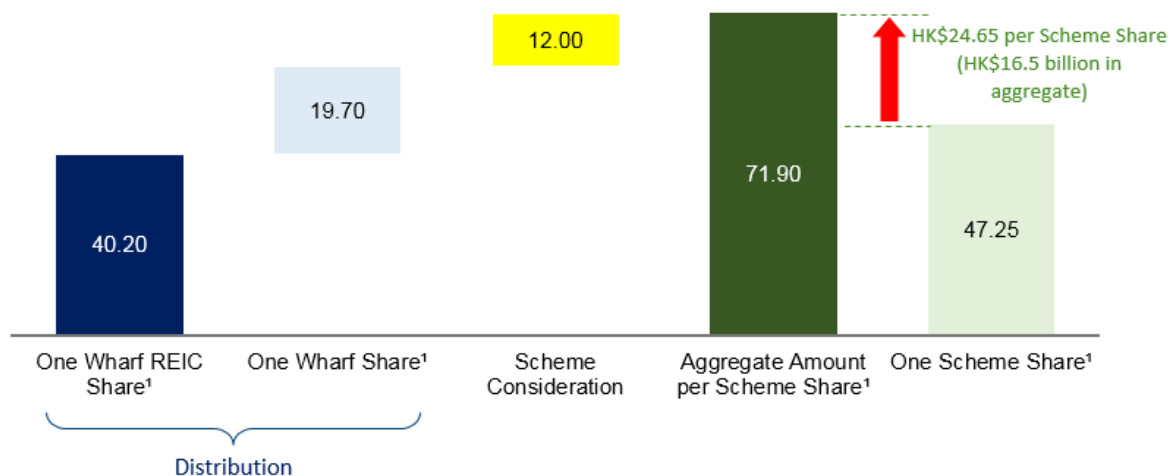
The Proposal aims to unlock immediate value for Shareholders through the elimination of the Company’s historical holding company discount associated with the existing tiered shareholding structure as Wharf REIC Shares and Wharf Shares will upon completion of the Proposal be held directly by the Scheme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

Under the Proposal, Scheme Shareholders will receive by way of the Distribution one Wharf REIC Share and one Wharf Share in respect of each Share they hold at the Record Date. The aggregate of the closing prices of Wharf REIC Shares and Wharf Shares on the Last Trading Day was HK\$59.90, which is HK\$12.65 or 27% more than the closing price of Shares on the Last Trading Day of HK\$47.25. 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 in respect of each Share they hold at the 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 Announcement Date) more than, the closing price of Scheme Shares on the Last Trading Day. This is illustrated in the following diagram.

In HK\$ per Share



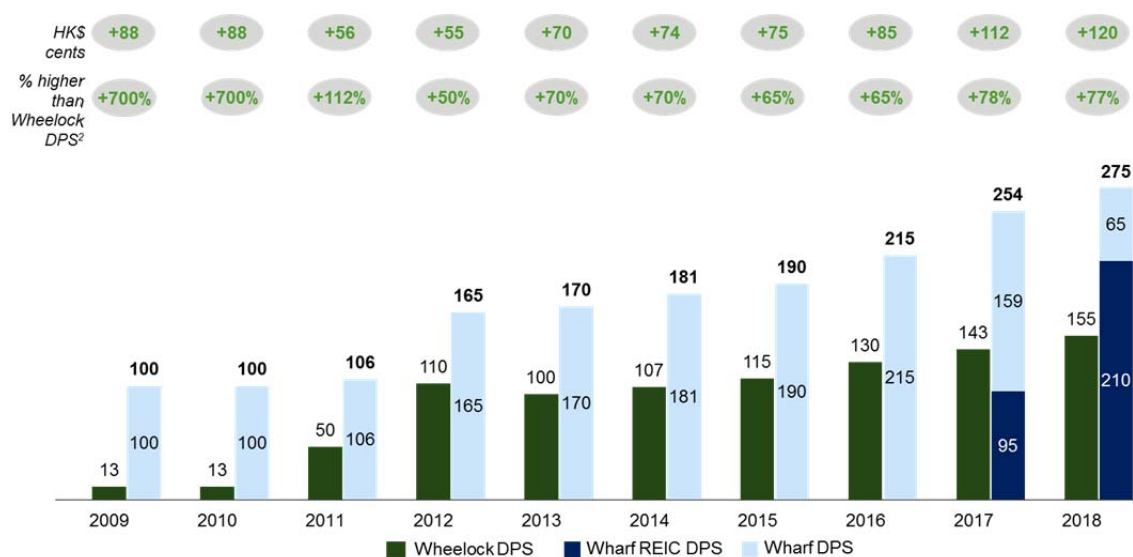
Note 1: Using the closing price of the Shares, Wharf REIC Shares and Wharf Shares as quoted on the Stock Exchange on the Last Trading Day

(b) Higher dividend income from Wharf REIC Shares and Wharf Shares in addition to return on cash

Based on the actual cash dividend track record of Wharf REIC since its spin-off from Wharf in 2017 and of Wharf and the Company since 2009, Scheme 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, a Scheme Shareholder would have received an average of HK176 cents annual dividend income by holding one Wharf REIC Share and one Wharf Share combined, 88% higher than the average of HK93 cents annual dividend income he would have received by holding one Share during the 10-year period from 2009 to 2018. This is illustrated in the diagram below.

In addition, if the Scheme becomes effective, each Scheme Shareholder will receive the Scheme Consideration in cash.

Incremental cash dividend received by holders of one Wharf REIC Share and one Wharf Share as compared to one Share¹



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) Enhanced choice for Scheme Shareholders through separate and direct ownership of Wharf REIC Shares and Wharf Shares with higher trading liquidity

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

In addition, Wharf REIC and Wharf combined also have approximately 6 times higher trading liquidity than the Company, with a 3-month average daily trading volume as at the Last Trading Day of HK\$138.3 million for Wharf REIC and HK\$106.7 million for Wharf compared to HK\$44.3 million for the Company. 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 month period from 22 November 2019 to 21 February 2020.

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 any dividend that the Company may declare for the financial year ended 31 December 2019) is made or paid in respect of the Scheme Shares, the Offeror reserves the right to reduce the Scheme Consideration and the price for the Option Offer by an amount equal to the amount of such dividend or other distribution (“**Dividend Adjustment**”).

In addition to the Scheme Consideration, under the Proposal the Scheme Shareholders will also receive one Wharf REIC Share and one Wharf Share in respect of each Scheme Share they hold on the Record Date (see “INFORMATION ON THE GROUP AND THE OFFEROR – the Group” below 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.

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 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 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 of HK\$66.40 per Share based on the closing price as quoted on the Stock Exchange on 9 August 2017; and
- a discount of approximately 44.3% to the unaudited consolidated NAV per Share as at 30 June 2019 of HK\$129.0 (which has not reflected the effect of the Distribution).

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

- a premium of HK\$24.65 per Share to the Distribution Adjusted Share Closing Price on the Last Trading Day of negative HK\$12.65;

- a premium of HK\$25.23 per Share to 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 to 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 to 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 to the average Distribution Adjusted Share Closing Price over the 180 trading days up to and including the Last Trading of negative HK\$15.59;
- a premium of HK\$23.29 per Share to the 52-week high Distribution Adjusted Share Closing Price on 4 February 2020 of negative HK\$11.29;
- a premium of HK\$13.25 per Share to the all-time high Distribution Adjusted Share Closing Price on 25 November 2008 of negative HK\$1.25; and
- a premium of 16.5% per Share over the unaudited pro forma adjusted consolidated NAV attributable to the Shareholders as at 30 June 2019 per Share of HK\$10.3.^{Note}

Note:

The following unaudited pro forma adjusted consolidated NAV (“**Adjusted NAV**”) attributable to the Shareholders as at 30 June 2019 per Share has been prepared in accordance with Rule 4.29 of the Listing Rules on the basis set out in the notes below for the purpose of illustrating the effect of the Distribution in respect of each Share as if the Distribution had been completed on 30 June 2019.

The unaudited pro forma statement of the Adjusted NAV attributable to the Shareholders as at 30 June 2019 has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of the financial position of the Group had the Distribution been completed on 30 June 2019 or at any future date.

Unaudited Pro Forma Statement of Adjusted NAV attributable to the Shareholders as at 30 June 2019

Unaudited consolidated NAV attributable to the Shareholders	Pro forma adjustments					Unaudited pro forma Adjusted NAV of the Group attributable to the Shareholders had the Distribution been completed on 30 June 2019
	HK\$ million (Note 1)	HK\$ million (Note 2)	HK\$ million (Note 3)	HK\$ million (Note 4)	HK\$ million (Note 5)	
264,320	(94,440)	(141,877)	(501)	(6,413)	21,089	
Unaudited Pro Forma Adjusted NAV attributable to the Shareholders per Share (Note 7)						
HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
129.0	(46.1)	(69.3)	(0.2)	(3.1)	10.3	

Notes:

- The unaudited consolidated NAV attributable to the Shareholders as at 30 June 2019 is extracted from the Company's consolidated statement of financial position as included in its published interim report for the six months ended 30 June 2019.
- The adjustment reflects the effect of excluding the NAV of Wharf and its subsidiaries included in the unaudited consolidated NAV attributable to the Shareholders as at 30 June 2019 and is calculated as follows:

	HK\$ (million)
Consolidated NAV attributable to the shareholders of Wharf	142,522
Less: Non-controlling interests of Wharf	(47,879)
Less: Other consolidation adjustments	(203)
Pro forma adjustment	<u>94,440</u>

- The adjustment reflects the effect of excluding the NAV of Wharf REIC and its subsidiaries included in the unaudited consolidated NAV attributable to the Shareholders as at 30 June 2019 and is calculated as follows:

	HK\$ (million)
Consolidated NAV attributable to the shareholders of Wharf REIC	222,700
Less: Non-controlling interests of Wharf REIC	(80,823)
Pro forma adjustment	<u>141,877</u>

- The adjustment reflects the reduction in unaudited consolidated NAV attributable to Shareholders resulting from the number of Wharf Shares required to be acquired by the Company on the basis that the Distribution is to be made to all Shareholders in the ratio of one Wharf Share for each Share held but the Company did not hold the requisite number of Wharf Shares as at 30 June 2019. Such amount was derived from the closing price of Wharf Shares as quoted on the Stock Exchange of HK\$20.70 per share as at 30 June 2019 multiplied by the shortfall of 24,184,679 in the number of Wharf Shares held by the Group as at 30 June 2019.

As at 30 June 2019, 2,048,549,287 Shares were in issue. As at 31 December 2019, the number of Wharf Shares held by the Group was in excess of the number of issued Shares by 69,940,321 shares.

5. *The adjustment reflects the reduction in unaudited consolidated NAV attributable to the Shareholders resulting from the number of Wharf REIC Shares required to be acquired by the Company on the basis that the Distribution is to be made to all Shareholders in the ratio of one Wharf REIC Share for each Share held but the Company did not hold the requisite number of Wharf REIC Shares as at 30 June 2019. Such amount was derived from the closing price of Wharf REIC Shares as quoted on the Stock Exchange of HK\$55.05 per share as at 30 June 2019 multiplied by the shortfall of 116,490,679 in the number of Wharf REIC Shares held by Group as at 30 June 2019.*

As at 30 June 2019, 2,048,549,287 Shares were in issue. As at 31 December 2019, the number of Wharf REIC Shares held by the Group was lower than the number of issued Shares by 99,041,679 shares.

6. *No adjustment has been made to the unaudited pro forma statement of Adjusted NAV attributable to the Shareholders to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2019.*
7. *The unaudited pro forma Adjusted NAV attributable to the Shareholders per Share is calculated by dividing the unaudited pro forma Adjusted NAV attributable to the Shareholders at 30 June 2019 by the 2,048,549,287 Shares in issue at 30 June 2019.*

The Scheme Shareholders and / or potential investors are reminded that the unaudited pro forma Adjusted NAV attributable to the Shareholders per Share is prepared based on the latest published unaudited consolidated financial statements of the Company being those for the six months ended 30 June 2019. Shareholders are advised to read carefully the formal documentation in relation to the Proposal once it has been despatched.

The Option Offer

As at the Announcement Date, there are four Optionholders, namely Mr. Douglas C K 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 have vested and 2,500,000 are unvested. The Company does not intend to grant any further Share Options between the Announcement 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 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 (a) 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 (b) 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 will make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code. The cancellation price of each Share Option under the Option Offer, which is required to be calculated on a “see-through” basis, will be calculated as the Aggregate Amount per Scheme Share on the Last Trading Day of HK\$71.90 less the exercise price of the Share Option. The Option Offer will be conditional upon the Scheme becoming effective. The Option Offer will be made in respect of all Share Options in issue on the date on which the Option Offer is made. Details of the Option Offer will be set out in the Scheme Document.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the satisfaction or waiver (as applicable) of the conditions described in the sections headed “Scheme Conditions” and “Distribution Conditions”.

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.

FINANCIAL RESOURCES

On the assumption that (i) no outstanding Share Options are exercised (and no further Share Option is granted on or prior to the Record Date), (ii) no further Shares are issued before the Record Date and (iii) 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 per Scheme Share and the consideration payable to Optionholders pursuant to the Option Offer) will be approximately HK\$8,150,395,484.

As at the date of this Announcement the Offeror is financing the entire cash amount required for the Proposal and the Option Offer from internal cash resources and other external debt financing.

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 in exchange for the Scheme Consideration. Upon such cancellation, 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. 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.

If, after the Announcement Date, any dividend or other distribution (other than the Distribution and any dividend that the Board may declare for the financial year ended 31 December 2019) is made or paid in respect of the Scheme Shares, the Offeror reserves the right to reduce the Scheme Consideration and the price for the Option Offer by the amount of the Dividend Adjustment.

In addition to the Scheme Consideration, the Scheme Shareholders 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 following Scheme Conditions:

- (1) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that:
 - (a) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Disinterested Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Disinterested Shares held by the Independent Shareholders;
- (2) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting (or otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of 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;
- (3) the sanction of the Scheme (with or without modification) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (4) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in so far as they relate to the effectiveness of the reduction of the issued share capital of the Company and the Scheme, respectively;
- (5) the Executive having ruled that no obligation will arise on the part of the Offeror or the Offeror Concert Parties to make a mandatory general offer for any of the Wharf REIC Shares, Wharf Shares and Harbour Centre Shares in issue and not already owned or agreed to be acquired by it/them as a result of the Proposal under Rule 26.1 of the Takeovers Code, or the grant by the Executive (and such grant not having been withdrawn or revoked) of a waiver of any such obligation of the Offeror and the Offeror Concert Parties;
- (6) the Distribution having been made by the Company to the Scheme Shareholders;
- (7) all Authorisations having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (8) all necessary consents which may be required under any existing material contractual obligations of the Company being obtained;

- (9) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings or suits as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (10) since the Announcement Date up to and including the time when the last of the Scheme Conditions set out in (1) to (9) is fulfilled or waived (as applicable), there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (11) since the Announcement Date up to and including the time when the last of the Scheme Conditions set out in (1) to (10) is fulfilled or waived (as applicable), there not having been any instituted or remaining outstanding litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal.

The Scheme Conditions (1) to (6) above are not waivable. The Offeror reserves the right to waive any of the Scheme Conditions (7) to (11), either in whole or in respect of any particular matter. All of the Scheme Conditions will have to be satisfied or waived (as applicable), on or before the Long Stop Date, otherwise the Scheme will not become effective. When the Scheme Conditions are satisfied or waived (as applicable) the Scheme will become binding and effective on the Company and all the Scheme Shareholders.

It is expected that the Scheme will become binding and effective on or before 30 September 2020. A detailed expected timetable will be included in the Scheme Document.

In respect of the Scheme Conditions (7) to (11), except for the Executive's ruling as set out in Scheme Condition (5), the Offeror is not currently aware of any Authorisations or consents which are required, and any other matter that would constitute a breach of Scheme Conditions (7) to (11). In respect of Scheme Condition (5), the Executive has indicated that it is minded to rule no general obligation will arise on the part of the Offeror and Offeror Concert Parties to make a mandatory general offer for Wharf REIC, Wharf and Harbour Centre Development Limited.

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 per Share.

Mr. Woo who is an Offeror Concert Party, has agreed not to receive, and procure his controlled entities and nominees not to receive, and the Trustee, in its capacity as trustee of the Trust, which is an Offeror Concert Party, has agreed that the Trust shall not receive, the Wharf REIC Shares and Wharf Shares to which he/it is entitled under the Distribution (“**Excluded Entitlements**”).

The Excluded Entitlements (except for the Wharf REIC Shares which will be distributed to the Scheme 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 0.95 but the Distribution ratio being 1:1 (see “INFORMATION ON THE GROUP AND THE OFFEROR – The Group” below)) will be retained by the Company, and the Company will be owned as to 32.51% by the Offeror, 48.48% by the Trustee and 19.01% by Mr. Woo and Mr. Woo Entities upon the completion of the Proposal.

The Scheme 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 Share will be distributed to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date.

The Board (excluding 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, has agreed to declare the special dividend under the Distribution, subject to the Distribution Conditions being satisfied.

It is expected that the Distribution will be made to the Scheme Shareholders within five Business Days of the Scheme (with or without modification) having been sanctioned and the reduction of the issued share capital of the Company involved in the Scheme having been confirmed by the High Court and the order of the High Court in relation thereto having been granted.

The Distributable Wharf REIC and Wharf Shares are fully-paid and will be distributed free from all Encumbrances.

The Scheme Document, which will be despatched to Shareholders in due course, will contain details of the Distribution, including the arrangements regarding the payment of the Distribution and overseas Shareholders’ entitlements thereto and the expected timetable of the Distribution.

EXCLUSION OF THE SHARES OF MR. WOO AND THE TRUSTEE FROM THE PROPOSAL

Mr. Woo, an Offeror Concert Party, has (i) agreed that the Shares (being “Excluded Shares”) held by himself and his controlled entities or nominees 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.

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 (being “Excluded Shares”) it holds in its capacity as the trustee of the Trust 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) 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 Announcement Date.

DISTRIBUTION CONDITIONS

The Distribution will be subject to satisfaction of the following Distribution Conditions (neither of which can be waived):

1. (i) WF Investments Partners Limited (“**WFIPL**”), the direct shareholder of the Distributable Wharf REIC and Wharf Shares and direct wholly-owned subsidiary of Wheelock Investments Limited, and (ii) thereafter Wheelock Investments Limited, the direct shareholder of the entire issued share capital of WFIPL and the Company’s direct wholly-owned subsidiary, having declared a special dividend (by way of a distribution in-specie) of the Distributable Wharf REIC and Wharf Shares; and
2. the Scheme (with or without modification) having been sanctioned and the reduction of the issued share capital of the Company involved in the Scheme having been confirmed by the High Court and the order of the High Court in relation thereto having been granted.

It is currently expected that that the Company will instruct the share registrar to effect the Distribution after the High Court has sanctioned the Scheme and granted the order in relation thereto (i.e. fulfilment of the first part of Scheme Condition (3)), and that the process of transfer of the Distributable Wharf REIC Shares and Wharf Shares will take approximately five Business Days. After the Distribution is made to the Scheme Shareholders (i.e. fulfilment of Scheme Condition (6)), a 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 (i.e. fulfilment of the last part of Scheme Condition (3)), and the Scheme will become effective.

WARNING: Shareholders and/or potential investors should be aware that the implementation of the Proposal will only become effective upon all the Scheme Conditions and the Distribution Conditions being satisfied or waived (as applicable). The Scheme is conditional upon the Distribution being made by the Company to the Scheme Shareholders, and thus if the Distribution is not made, the Scheme will not become effective, and the Proposal will lapse. Shareholders and/or potential investors should therefore exercise caution when dealing in Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor and/or other professional adviser.

SHAREHOLDING STRUCTURE OF THE COMPANY

On the assumption that there is no change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal	
	Number of Shares	Approximate % (Note 4)	Number of Shares (Note 5)	Approximate % (Note 4)
Offeror	-	-	667,432,957	32.51
Offeror Concert Parties not subject to the Scheme				
Trustee, in its capacity as trustee of the Trust (Note 1)	995,221,678	48.48	995,221,678	48.48
Mr. Woo and Mr. Woo Entities (Note 2)	390,194,652	19.01	390,194,652	19.01
Offeror Concert Parties subject to the Scheme				
Mr. D Woo	7,000,000	0.34	-	-
Ms. J Woo	33,879,000	1.65	-	-
HSBC (Note 3)	1,625,585	0.08	-	-
Aggregate number of Shares held by the Offeror and Offeror Concert Parties				
	1,427,920,915	69.56	2,052,849,287	100.00
Independent Shareholders	624,928,372	30.44	-	-
Total number of Shares	2,052,849,287	100.00	2,052,849,287	100.00
Total number of Scheme Shares	667,432,957	32.51	-	-

Notes:

- The Trustee, in its capacity as trustee of the Trust, is acting in concert with the Offeror in accordance with class 8 of the definition of "acting in concert" under the Takeovers Code. The Shares held by the Trustee, in its capacity as trustee of the Trust, were acquired prior to the period beginning on the date that is six months prior to the Announcement Date.
- Out of these 390,194,652 Shares, Mr. Woo holds 10,847,510 Shares as beneficial owner, and Mr. Woo Entities together hold 379,347,142 Shares. Controlled corporations of Mr. Woo and the Shares held by each of them are set out below:

<i>Controlled corporations of Mr. Woo</i>	<i>Number of Shares held by controlled corporation</i>
Calgary Gold Limited ⁽¹⁾	60,799,386
Eastern Park Limited ⁽¹⁾	70,932,617
Grassland Assets Limited ⁽¹⁾	2,360,000
Grassmarket International Limited ⁽¹⁾	1,750,000
Grovebury Investment Limited ⁽¹⁾	619,674
Haslam International Limited ⁽¹⁾	3,000,840
Linver Limited ⁽¹⁾	1,252,078
Mystic Fortune Limited ⁽¹⁾	1,957,392
Silver Prism Limited ⁽¹⁾	57,666,155
Monteco Investments Limited ⁽²⁾	68,643,000
Fabulous Eagle Limited ⁽²⁾	22,548,000
Glensprings Investments Limited ⁽³⁾	72,722,000
Eternal Oasis Limited ⁽³⁾	15,096,000
	379,347,142

Notes:

- (1) Each of Mr. Woo and Mrs. Woo has 50% control of this controlled corporation
 - (2) Mr. Woo has 100% control of Newotto Limited, which in turn controls 100% of this controlled corporation.
 - (3) Mr. Woo has 100% control of Diamond Castle International Limited, which in turn controls 100% of this controlled corporation.
3. HSBC is the financial adviser to the Offeror in respect of the Proposal. Accordingly, HSBC and relevant members of the HSBC Group which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code). Details of holdings or borrowings or lendings of, and dealings in, Shares or derivatives in respect of them by other parts of the HSBC Group (other than the Trustee) will be obtained as soon as possible after this joint announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made if the holdings, borrowings, lendings, or dealings of the other parts of the HSBC Group are significant. The statements in this joint announcement as to the holdings or borrowings or lendings of, or their dealings in, Shares or derivatives in respect of Shares by parties acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of the other parts of the HSBC Group.
4. All percentages in the above table are approximations.
5. Under the Scheme, part of the issued share capital of the Company will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that there is no change in shareholding of the Company before completion of the Proposal, forthwith upon such reduction, the issued share capital of the Company will be increased to its former amount prior to the cancellation of the Scheme Shares by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of the Scheme Shares cancelled. The reserve created in the Company’s books of account as a result of the capital reduction will be applied in paying up in full the new Shares so issued to the Offeror.

As at the Announcement Date, there are four Optionholders 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 have been vested and 2,500,000 are unvested. The Company does not intend to grant any further Share Options between the Announcement Date and the Effective Date.

The exercise of all the vested Share Options in full would result in the issue of 1,500,000 new Shares (representing approximately 0.07% of the issued share capital of the Company as at the date of this Announcement) and approximately 0.07% of the issued share capital of the Company as enlarged by the issue of such new Shares. Please see the paragraph headed “The Option Offer” for details relating to the Options and the Option Offer.

On the Announcement Date:

- (a) the issued share capital of the Company comprises 2,052,849,287 Shares and 4,000,000 Share Options;
- (b) the Offeror does not own, control or have direction over any Shares. The Offeror Concert Parties hold in aggregate 1,427,920,915 Shares representing approximately 69.56% of the issued share capital of the Company;
- (c) save as disclosed in paragraph (b) above and in the above shareholding tables, the Offeror Concert Parties do not legally and beneficially own, control or have direction over any Shares;
- (d) save for the 1,000,000 Share Options held by Mr. D Woo, there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;

- (e) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company; and
- (f) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this Announcement the Scheme Shares, comprising 667,432,957 Shares, represent approximately 32.51% of the issued Shares.

As at the date of this Announcement the Company has 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 section headed Objectives of the Proposal above and the benefits of the Proposal set out in the section headed Benefits of the Proposal above.

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 in the PRC as well as its logistics business in Hong Kong and the PRC.

As at the Announcement Date there were 2,052,849,287 Shares in issue while the Company is interested through its wholly-owned subsidiaries in 1,952,860,608 Wharf REIC Shares and 2,129,691,608 Wharf Shares representing a ratio of Shares to Wharf REIC Shares of 0.95 and a ratio of Shares to Wharf Shares of 1.04. 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 Announcement 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 1.0 in both cases.

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 also from 2002 to December 2013. He stepped down as the Chairman and has assumed the title of Senior Director of the Company with effect from 1 January 2014. 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 Chinese People's Political Consultative Conference (the "CPPCC") of the People's Republic of China. 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 Special Administrative Region 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.

WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon completion of the Scheme, 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 of the Scheme. The Shareholders will be notified by way of a press 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. A detailed expected timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme, the Option Offer and the Distribution.

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

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Scheme 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 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 it) 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 Proposal, 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.

OVERSEAS SCHEME SHAREHOLDERS

The making of the Proposal to the Scheme Shareholders and the Option Offer to Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located.

Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders, wishing to take an action in relation to the Proposal and Option Offer, respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction.

Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers (including HSBC), that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders or overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders or overseas Optionholders. For that purpose, the Company may apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders or overseas Optionholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders and overseas Optionholders, as the case may be.

If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of Scheme Shareholders not resident in Hong Kong in relation to the terms of the Proposal. Such arrangements may include notifying any matter in connection with the Proposal to the Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such Shareholders to receive or see that notice.

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal or the Option Offer. It is emphasised that none of the Offeror, the Company and HSBC or any of their respective directors, officers or associates or any other person involved in the Proposal or the Option Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Option Offer.

SCHEME SHARES, MEETING OF SCHEME SHAREHOLDERS AND GENERAL MEETING OF THE COMPANY

As at the date of this Announcement, the Independent Shareholders were interested in 624,928,372 Shares (representing approximately 30.44% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares. Only Shareholders who qualify as both Independent Shareholders and holders of CO Disinterested Shares (details of which will be set out in the Scheme Document) and not one only will be eligible to vote at the Court Meeting.

As at the date of this Announcement the Offeror was not interested in any Shares. Mr. Woo, directly and through his controlled entities, was interested in 390,194,652 Shares (representing approximately 19.01% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares.

As at the date of this Announcement 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.

As at the date of this Announcement 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 share capital of the Company) and holds 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 Option will be subject to the Option Offer.

As at the date of this Announcement 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 share capital 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.

DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

Save as disclosed below, neither the Offeror nor any of the Offeror Concert Parties had any dealings for value in the Shares during the period commencing six months prior to the Announcement Date.

Name	Date of transactions (DD/MM/YYYY)	Purchase/Sale	On/off the Stock Exchange	No. of Shares involved	Average transaction price per Share (HK\$)
Mr. Woo ^(Note 1)	28/08/2019 – 10/01/2020	Purchase	On	17,925,000	43.8980 - 53.4345
	5/9/2019 – 16/12/2019	Purchase	Off ^(Note 2)	62,409,000	47.1500 - 51.0500
	24/9/2019 – 30/9/2019	Purchase	Off ^(Note 3)	2,047,578	44.5000 - 44.7000
	5/12/2019	Sale	On	578	46.1000
Mr. D Woo ^(Note 4)	29/1/2020	Purchase	Off	4,000,000	36.6000

Ms. J Woo ^(Note 5)	4/9/2019 – 18/11/2019	Purchase	On	8,836,000	46.0340 - 49.3185
	5/9/2019 – 16/12/2019	Sale	Off ^(Note 2)	62,409,000	47.1500 - 51.0500
	24/9/2019 – 30/9/2019	Sale	Off ^(Note 3)	2,047,578	44.5000 - 44.7000

Notes:

1. *The dealings in Shares by Mr. Woo disclosed in the table above were carried out through his wholly owned companies.*
2. *During the period from 5 September 2019 to 16 December 2019, Mr. Woo purchased 62,409,000 Shares at average transaction prices ranging from HK\$47.1500 to HK\$51.0500 per Share, by way of purchasing four companies wholly owned by Ms. J Woo (Mr. Woo's daughter) that then held these 62,409,000 Shares.*
3. *During the period from 24 September 2019 to 30 September 2019, Mr. Woo (through his wholly owned company) purchased 2,047,578 Shares from a company wholly-owned by Ms. J Woo at average transaction prices ranging from HK\$44.5000 to HK\$44.7000 per Share.*
4. *On 29 January 2020, Mr. D Woo acquired 4,000,000 Shares by exercising 4,000,000 Share Options at the exercise price of HK\$36.6000.*
5. *The dealings in Shares by Ms. J Woo disclosed in the table above were carried out through her wholly owned companies.*

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

Independent Board Committee

An Independent Board Committee, which comprises the following independent non-executive Directors, 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 (a) to the Independent

Shareholders as to whether the terms of the Proposal and the Scheme 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 (b) to the Optionholders as to its views on acceptance of 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 and the Option Offer.

Mrs. Mignonne Cheng, a non-executive Director, is also 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 regarded as being interested in the Proposal and the Option Offer 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.

Despatch of Scheme Document

The Scheme Document containing, among others, further details of the Scheme, the Option Offer and the Distribution, the expected timetable, an explanatory statement as required under the Companies Ordinance, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme, the Option Offer and the Distribution, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of a General Meeting, together with forms of proxy in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Ordinance, the High Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders and Optionholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting or accepting the Option Offer (as the case may be). Any vote, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

A letter containing the details of the Option Offer will also be despatched to the Optionholders at or around the same time as the despatch of the Scheme Document.

Further agreements or arrangements

As at the Announcement Date:

- (a) there were no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Offeror and which might be material to the Proposal;
- (b) no irrevocable commitment to vote for or against the Scheme had been received by the Offeror or the Offeror Concert Parties;
- (c) save as disclosed in the sections headed "Scheme Conditions" or "Distribution Conditions" of this Announcement, there were no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal;

- (d) save as disclosed in the section headed “Shareholding Structure of the Company” of this Announcement, none of the Offeror nor any of the Offeror Concert Parties had borrowed or lent any Shares;
- (e) save as disclosed in the section headed “Shareholding Structure of the Company” of this Announcement, the Offeror and the Concert Parties did not own, control or have direction over any Shares;
- (f) after reasonable enquiries that could be made by the Offeror prior to the issue of this Announcement, the Offeror is not aware of any special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii)(a) the Offeror and any Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies; and
- (g) other than the Scheme Consideration payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares.

PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This Announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Announcement include statements about the expected effects on the Company of the Proposal and the Option Offer, the expected timing and scope of the Proposal and the Option Offer, and all other statements in this Announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal and Option Offer, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date.

Any forward-looking statement contained in this announcement based on past or current trends and/or activities of the Company, Wharf REIC or Wharf respectively should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Company, Wharf REIC or Wharf for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

NOTICE TO SHAREHOLDERS

This Announcement does not constitute an offer to sell or an invitation or solicitation of an offer to acquire, purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This Announcement does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read carefully the formal documentation in relation to the Proposal once it has been despatched.

In particular, this Announcement is not an offer of securities for sale or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Distributable Wharf REIC and Wharf Shares, which will be transferred in connection with the Distribution, have not been, and will not be, registered under the United States Securities Act of 1933, as amended or under the securities law of any state, district or other jurisdiction of the United States and no regulatory clearance in respect of the Scheme or distribution of the Distributable Wharf REIC and Wharf Shares has been, or will be, applied for in any jurisdiction other than Hong Kong. The Distributable Wharf REIC and Wharf Shares may not (subject to certain limited exceptions) be offered, sold, transferred or delivered, directly or indirectly, in any other jurisdiction (including without limitation, in the United States) where to do so would violate the laws of that jurisdiction or would require registration thereof in such jurisdiction. Shareholders may be excluded from receiving the Distributable Wharf REIC and Wharf Shares if such Shareholders reside in any country, jurisdiction or territory outside Hong Kong (including without limitation, in the United States) where receiving the Distributable Wharf REIC and Wharf Shares would require the Company to comply with any registration or other legal requirements. Any Shareholder residing outside Hong Kong is responsible for fully observing and complying with the laws of the relevant country, jurisdiction or territory, including obtaining any government or other consents that may be required and observing any other formalities in such country, jurisdiction or territory.

TAXATION AND INDEPENDENT ADVICE

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal. It is emphasised that none of the Offeror, the Company or HSBC, nor any of their respective directors, officers or associates or any other person involved in the Proposal, accepts responsibility for any taxation effects on, or liabilities of, any persons as a result thereof.

NOTICE TO US HOLDERS OF SHARES

The Proposal is being made to cancel the securities of a Hong Kong company by means of a scheme of arrangement provided for under the Companies Ordinance. The Distribution relates to the shares of companies listed on the Main Board of the Stock Exchange in Hong Kong. Any financial information included in this Announcement has been prepared in accordance with

accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended.

Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of its Scheme Shares pursuant to the Scheme or by an Optionholder as consideration for the cancellation of its Share Options or receipt of Distributable Wharf REIC and Wharf Shares by a Scheme Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares or Share Options is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal and the Distribution applicable to him. It may be difficult for US holders of Scheme Shares and Share Options to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares or Share Options may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 24 February 2020 pending issuance of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 1:00 p.m. on 27 February 2020.

DEFINITIONS

In this Announcement, the following expressions have the meanings set out below unless the context requires otherwise:

** Unless otherwise stated, the number of Shares and the shareholding of the Company are presented on the assumption that no Share Options will be exercised from the Announcement Date to the Record Date, and no new Share Options will be granted.*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Aggregate Amount per Scheme Share”	the amount equal to (i) the aggregate of the closing prices of Wharf REIC Shares and Wharf Shares on the relevant day plus (ii) the Scheme Consideration
“Announcement”	this announcement issued by the Offeror and the Company
“Announcement Date”	27 February 2020, being the date of this Announcement

“associate ”	has the meaning ascribed to it under the Takeovers Code
“Authorisations”	authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required or desirable under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation and the withdrawal of listing of the Shares from the Stock Exchange in accordance with its terms
“Board”	the board of directors of the Company
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“Company”	Wheelock and Company Limited, a company incorporated in the Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 20)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“CO Disinterested Shares”	has the meaning ascribed to it in section 674(3) of the Companies Ordinance
“Director(s)”	the director(s) of the Company
“Disinterested Shares”	Shares in issue at the Record Date, other than those beneficially owned by the Offeror or the Offeror Concert Parties. For the avoidance of doubt, Disinterested Shares include Shares of non-discretionary investment clients of any member of the HSBC Group where such client (i) controls the voting rights attaching to those Shares, (ii) if the Shares are voted, gives instructions as to how the Shares are to be voted, and (iii) is not the Offeror or a person acting in concert with the Offeror
“Distributable Wharf REIC and Wharf Shares”	such number of Wharf REIC Shares and such number of Wharf Shares as is equivalent to the number of Scheme Shares

“Distribution”	has the meaning given to that term in the “Introduction” section of this Announcement
“Distribution Adjusted Share Closing Price”	the closing price of Shares on the Stock Exchange on any relevant date less an amount equal to the aggregate of the closing prices of Wharf REIC Shares and Wharf Shares on the same day; excluding the dates when Wharf was trading on an ex-dividend basis at the time of the Wharf REIC demerger
“Distribution Conditions”	the conditions of the Distribution, as set out above in this Announcement under the section headed “Distribution Conditions”
“Dividend Adjustment”	has the meaning given to it in the paragraph headed “The Scheme Consideration and the Distribution” in the section headed “Terms of the Proposal” above
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Encumbrances”	any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same
“Excluded Shares”	has the meaning given to that term in the “Exclusion of the Shares of Mr. Woo and the Trustee from the Proposal” section of this Announcement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate for the time being of the Executive Director
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“General Meeting”	a general meeting of the Company to be held after the Court Meeting for the purpose of approving the reduction of the share capital of the Company involved in the Scheme and implementing the Scheme
“Group”	the Company and its subsidiaries

“Harbour Centre”	Harbour Centre Development Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 51)
“High Court”	the High Court of Hong Kong
“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
“HSBC”	means The Hongkong and Shanghai Banking Corporation Limited, being the financial adviser to the Offeror in relation to the Proposal, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“HSBC Group”	means HSBC and persons controlling, controlled by or under the same control as HSBC
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Independent Shareholders and the Optionholders in respect of the Proposal, the Scheme and the Option Offer, which comprises all Non-executive Directors and Independent Non-executive Directors (other than Mrs. Mignonne Cheng) pursuant to Rule 2.8 of the Takeovers Code
“Independent Shareholder(s)”	all Shareholders, other than the Offeror, the Offeror Concert Parties
“Last Trading Day”	21 February 2020, being the last trading day of Shares immediately before the suspension of trading in the Shares pending issuance of this Announcement, being the last full trading day prior to the publication of this Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2020, or such later date the Offeror may determine, subject to the consent of the financial adviser of the Offeror (whose consent shall not be unreasonably withheld)

“Mr. D Woo”	Mr. Woo Chun Kuen, Douglas, the chairman & managing director of the Company, and also the son of Mr. Woo and Mrs. Woo
“Mr. Woo”	Mr. Woo Kwong Ching, Peter
“Mr. Woo Entities”	Shareholders which are companies controlled by, or nominee companies of, Mr. Woo, and companies controlled by Mr. Woo and Mrs. Woo, other than the Offeror
“Mrs. Woo”	Ms. Pao Pui Yung, Bessie, the spouse of Mr. Woo
“Ms. J Woo”	Ms. Jennifer Woo, the daughter of Mr. Woo and Mrs. Woo
“NAV”	net assets value
“Offeror”	Admiral Power Holdings Limited, a company incorporated in the British Virgin islands with limited liability and wholly-owned by Mr. Woo
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code (except for members of the HSBC Group, other than the Trustee, which are exempt principal traders and/or exempt fund managers in their capacity as such, in each case recognised by the Executive as such for the purposes of the Takeovers Code), including Mr. Woo, Mrs. Woo, Mr. Woo Entities, the Trustee in its capacity as trustee of the Trust, Mr. D Woo and Ms. J Woo
“Optionholders”	Holder(s) of the Share Options
“Option Offer”	the offer to be made by or on behalf of the Offeror to the holders of the Share Options
“PRC”	the People’s Republic of China (for the purpose of this Announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)
“Proposal”	the proposal to privatise the Company by the Offeror by way of the Scheme and the Option Offer and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares, comprising both the Scheme and the Distribution, and the withdrawal of listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this Announcement

“Record Date”	the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme and for determining the entitlements of the Shareholders under the Distribution
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement to be proposed under Section 673 of the Companies Ordinance for the implementation of the Proposal, involving the cancellation of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares by the issuance to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled
“Scheme Conditions”	the conditions of the Scheme, as set out above in this Announcement under the section headed “Scheme Conditions”
“Scheme Consideration”	the cash amount of HK\$12.00 per Scheme Share, less the Dividend Adjustment (if any), which Scheme Shareholders will receive for the cancellation of their Scheme Shares under the Scheme
“Scheme Document”	the composite document to be despatched to the Shareholders containing details of the Scheme, the Distribution and the Option Offer
“Scheme Share(s)”	Share(s) in issue on the Record Date held by the Shareholders, other than those in which Mr. Woo, Mr. Woo Entities and the Trustee (in its capacity as the trustee of the Trust) are interested
“Scheme Shareholder(s)”	registered holders of the Scheme Shares as at the Record Date excluding Mr. Woo, Mr. Woo Entities and the Trustee (in its capacity as the trustee of the Trust)
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Options”	the share options granted under the Share Option Scheme from time to time

“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 9 June 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Trust”	a discretionary trust, which is a related trust of Mr. Woo family
“Trustee”	HSBC Trustee (C.I.) Limited, the trustee of the Trust
“United States” or “US”	the United States of America
“US\$”	US dollar(s), the lawful currency of the US
“Wharf”	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 4)
“Wharf Share(s)”	ordinary share(s) in the share capital of Wharf
“Wharf REIC”	Wharf Real Estate Investment Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code:1997)
“Wharf REIC Share(s)”	ordinary share(s) in the share capital of Wharf REIC
“%”	per cent. or percentage

**By order of the board of
Admiral Power Holdings Limited**

**By order of the board of
Wheelock and Company Limited**

**Chan Kai Cheuk
Director**

**Wilson W. S. Chan
Company secretary**

Hong Kong, 27 February 2020

As at the Announcement Date, the board of directors of the Offeror comprises: Mr. Stephen Chan Kai Cheuk, Mr. Tsui Yiu Cheung, Mr. Yu Ka Kai and Mr. Tam Chi Wai.

The Offeror's directors and Mr. Peter Woo Kwong Ching jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this Announcement misleading.

As at the Announcement Date, the Board 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, Mr. Horace W. C. Lee 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 Dr. Glenn S. Yee.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this announcement.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF WHEELOCK AND COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Wheelock and Company Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets value attributable to equity shareholders of the Company ("Pro forma Statement of Adjusted NAV") and related notes as set out in the announcement dated 27 February 2020 (the "Announcement") of the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in the notes to the Pro Forma Statement of Adjusted NAV.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the distribution to all the Company's shareholders of one share of Wharf Real Estate Investment Company Limited and one share of The Wharf (Holdings) Limited in respect of each share of the Company they hold ("Distribution") on the Group's financial position as at 30 June 2019 as if the Distribution had taken place at 30 June 2019. As part of this process, information about the Group's financial position as at 30 June 2019 has been extracted by the Directors from the interim report of the Group for the six months ended 30 June 2019, on which no review report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Announcement is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants’ judgement, having regard to the reporting accountants’ understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group, and
- c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 February 2020