
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Harbour Centre Development Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or the transferee(s).

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HARBOUR CENTRE DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 51)

DISCLOSEABLE TRANSACTION

A letter from the Board of Harbour Centre Development Limited is set out on pages 3 to 5 of this circular.

11 September 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acquisition"	the purchase of an aggregate of 51,806,000 CO Shares conducted on the open stock market in Hong Kong during the period from 20 June 2007 and 8 August 2007 for an aggregate consideration of approximately HK\$749.1 million
"Announcement"	the announcement of the Company dated 22 August 2007 in relation to the Acquisition
"associate(s)"	shall have the meaning as ascribed to that expression under the Listing Rules
"Board"	the board of Directors
"CO"	China Overseas Land & Investment Ltd, a limited liability company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 688)
"CO Group"	CO and its subsidiaries
"CO Share(s)"	share(s) of HK\$0.10 each in the issued share capital of CO
"Company"	Harbour Centre Development Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 51)
"connected person"	shall have the meaning ascribed to that expression in the Listing Rules
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	6 September 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

DEFINITIONS

"MPHML"	Marco Polo Hotels Management Limited, a wholly-owned subsidiary of Wharf
"PRC"	the People's Republic of China
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shelford Green"	Shelford Green Enterprises Limited, a limited liability company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Wharf"	The Wharf (Holdings) Limited
"Wharf Group"	Wharf and its subsidiaries

LETTER FROM THE BOARD



HARBOUR CENTRE DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 51)

Directors:

Gonzaga W. J. Li (*Chairman*)

T. Y. Ng

H. M. V. de Lacy Staunton*

Michael T.P. Sze*

M. K. Tan*

Registered Office:

16th Floor, Ocean Centre,

Harbour City, Canton

Road,

Kowloon,

Hong Kong

(Independent Non-executive Directors)*

11 September 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with further information regarding the Acquisition as required under the Listing Rules.

THE ACQUISITION

Dates

During the period from 20 June 2007 and 8 August 2007

Parties

- (1) Shelford Green as the Purchaser, a wholly-owned subsidiary of the Company
- (2) Seller(s) in the open stock market. To the best of the Directors' knowledge, the counterparties and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

LETTER FROM THE BOARD

Transaction

Shelford Green acquired, on the Stock Exchange, an aggregate of 51,806,000 CO Shares representing approximately 0.7% of the current issued share capital of CO based on the latest published information of CO.

Information of CO

The CO Group is principally engaged in property development and investment, building and civil construction, foundation engineering and project management, infrastructure project investments, investment holding, real estate agency and management, and treasury operations.

Consideration

The consideration of the Acquisition ranged from HK\$11.56 to HK\$17.76 per CO Share, and the total consideration was approximately HK\$749.1 million in cash and was satisfied on the respective settlement dates.

The consideration per CO Share was the market rates quoted on the Stock Exchange at the relevant time at which the transactions for the Acquisition were executed.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors are of the view that the Acquisition is a viable investment, which broadens the asset and earning base of the Group.

The Directors believe the terms of the Acquisition, which were all conducted on the open stock market in Hong Kong, to be on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

As disclosed in CO's annual report for the financial year ended 31 December 2006 dated 21 March 2007, the audited consolidated net asset value attributable to shareholders of CO as at 31 December 2006 was approximately HK\$15,449.4 million (2005: approximately HK\$11,082.6 million), the audited consolidated net profit of CO before taxation and extraordinary items (included discontinued operation) for the year ended 31 December 2006 was approximately HK\$3,176.6 million (2005: approximately HK\$2,084.9 million), and the audited consolidated net profit of CO after taxation and extraordinary items (included discontinued operation) for the year ended 31 December 2006 was approximately HK\$2,312.0 million (2005: approximately HK\$1,673.4 million).

As disclosed in the Company's annual report for the financial year ended 31 December 2006 dated 7 March 2007, the audited consolidated net asset value attributable to the shareholders of the Company as at 31 December 2006 was approximately HK\$4,778.0 million (2005: approximately HK\$4,096.3 million), the audited consolidated net profit of the Company before taxation for the year ended 31 December 2006 was approximately HK\$490.0 million

LETTER FROM THE BOARD

(2005: approximately HK\$597.4 million), and the audited consolidated net profit of the Company after taxation for the year ended 31 December 2006 was approximately HK\$422.7 million (2005: approximately HK\$517.1 million).

Following the Acquisition, the Company, through Shelford Green, holds an aggregate of 51,806,000 CO Shares representing approximately 0.7% of the current issued share capital of CO based on the latest published information of CO. Apart from that, the Acquisition has no significant impact on the consolidated assets or liabilities or consolidated profit attributable to shareholders of the Company.

GENERAL

The principal business activities of the Group are ownership of hotels and properties and investment.

As at the date hereof, the Board comprises Mr. Gonzaga W. J. Li and Mr. T. Y. Ng, together with three independent non-executive Directors, namely, Mr. H. M. V. de Lacy Staunton, Mr. Michael T. P. Sze and Mr. M. K. Tan.

REGULATORY ASPECTS

Since one or more of the applicable percentage ratios in respect of the Acquisition determined as at 21 August 2007 is/are greater than the 5% threshold for the purposes of Rule 14.07 of the Listing Rules, the Acquisition constituted a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix of this circular.

Yours faithfully,
For and on behalf of
Habour Centre Development Limited
Gonzaga W. J. Li
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests (all being long positions) of the Directors and chief executive (if any) of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

Names of Directors	Number of shares (percentage of issued capital)	Nature of Interest
The Company		
Mr. Michael T.P. Sze	25,000 (0.0079%)	Family Interest
Wharf		
Mr. Gonzaga W.J. Li	686,549 (0.0280%)	Personal Interest
Mr. T.Y. Ng	178,016 (0.0073%)	Personal Interest
Mr. Michael T.P. Sze	44,533 (0.0018%)	Family Interest

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or to the Model Code for Securities Transactions by Directors of Listed Issuers, there were no interests, both long and short positions, held as at the Latest Practicable Date by any of the Directors or chief executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested (all being long

positions) as at the Latest Practicable Date as recorded in the register kept by the Company under section 336 of the SFO and the percentages which the shares represented to the issued share capital of the Company:

	Names	Number of Ordinary Shares	Percentage of Holdings
(a)	Upfront International Limited	210,379,500	66.79%
(b)	Wharf Estates Limited	210,379,500	66.79%
(c)	The Wharf (Holdings) Limited	210,379,500	66.79%
(d)	WF Investment Partners Limited	210,379,500	66.79%
(e)	Wheelock and Company Limited	210,379,500	66.79%
(f)	HSBC Trustee (Guernsey) Limited	210,379,500	66.79%
(g)	Harson Investment Limited	25,357,500	8.05%

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of the shareholdings stated against parties (a) to (f) above in that they represent the same block of shares.

Save as disclosed in this circular, as at the Latest Practicable Date and so far as is known to the Directors or chief executive (if any) of the Company, no other person had, or was deemed or taken to have, any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and their respective associates had any interests in a business, which competes or may compete with the business of the Group.

Two Directors of the Company, namely, Messrs. G. W. J. Li and T. Y. Ng, being also directors of the Company's parent company, namely, Wharf, and/or certain subsidiaries of Wharf as at the Latest Practicable Date are considered as having an interest in Wharf under Rule 8.10 of the Listing Rules.

Ownership of property for letting and ownership of hotels by wholly-owned subsidiaries of Wharf constitute competing businesses to the Group.

The commercial premises at Harbour City, being in the vicinity of The Marco Polo Hongkong Hotel, owned by the Wharf Group for rental purposes are considered as competing with the commercial premises in The Marco Polo Hongkong Hotel owned by the Group. In view of the Wharf Group's extensive experience and expertise in property letting and management, the Group has appointed a subsidiary of Wharf as the agent for a term up to 31 May 2008 for the letting, reletting, management, licensing and re-licensing of the commercial premises in The Marco Polo Hongkong Hotel.

Two hotels, namely, The Marco Polo Gateway and The Marco Polo Prince, owned by the Wharf Group are also considered as competing businesses of The Marco Polo Hongkong Hotel owned by the Group. In view of the Wharf Group's expertise and very good track record in the management and operation of hotels throughout the Asia Pacific region, the Group has entered into an operation agreement with MPHML, a wholly-owned subsidiary of Wharf, for the appointment of MPHML as manager of The Marco Polo Hongkong Hotel for a term of 3 years commencing from 1 January 2007 to operate, direct, manage and supervise The Marco Polo Hongkong Hotel. MPHML is also responsible for the operation of two hotels in Hong Kong, namely, The Marco Polo Gateway and The Marco Polo Prince, and some other hotels in the Asia Pacific region.

For safeguarding the interests of the Group, the independent non-executive Directors and the audit committee of the Company will on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's hotel and property leasing and management businesses are and continue to be run on the basis that they are independent of, and at arm's length from, those of the Wharf Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there existed no service contract, nor there had been proposed any service contract to be, entered into between any Director with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened against the Company or any of its subsidiaries.

MISCELLANEOUS

- (a) The secretary of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Mr. Wilson W. S. Chan, who is a fellow member of The Institute of Chartered Secretaries and Administrators.
- (b) The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Ms. Daphne C.K. Wong, who is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants.
- (c) The transfer office of the Company is that of the Company's share registrars, namely, Tricor Tengis Limited, and is situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.