

## IMPORTANT

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## THE WHARF (HOLDINGS) LIMITED

*(Incorporated in Hong Kong with limited liability)*

(STOCK CODE: 4)

*Directors:*

Mr. Peter K. C. Woo, GBS, JP (*Chairman*)  
Mr. Gonzaga W. J. Li (*Senior Deputy Chairman*)  
Mr. Stephen T. H. Ng (*Deputy Chairman & Managing Director*)  
Ms. Doreen Y. F. Lee (*Executive Director*)  
Mr. Paul M. P. Chan, JP\*  
Professor Edward K. Y. Chen, GBS, CBE, JP\*  
Dr. Raymond K. F. Ch'ien, GBS, CBE, JP\*  
Hon. Vincent K. Fang, JP\*  
Mr. Hans Michael Jebsen, BBS\*  
Mr. T. Y. Ng  
Mr. James E. Thompson, GBS\*

*Registered Office:*

16th Floor, Ocean Centre,  
Harbour City, Canton Road,  
Kowloon,  
Hong Kong

28 April 2008

(\* Independent Non-executive Directors)

*To the Shareholders*

Dear Sir or Madam,

**REVISION OF DIRECTORS' FEES,  
RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES FOR THE REPURCHASE AND ISSUE SHARES OF  
THE WHARF (HOLDINGS) LIMITED (THE "COMPANY")  
AND NOTICE OF ANNUAL GENERAL MEETING**

1. The purpose of this circular is to provide you with the information in connection with the ordinary resolutions to be proposed at the forthcoming annual general meeting of the Company to be held on 27 May 2008 (the "AGM") to, *inter alia*: (i) grant the general mandate to repurchase shares and to issue new shares of the Company; (ii) revise the

rates of fees payable to the directors of the Company; and (iii) re-elect retiring directors of the Company.

2. At the annual general meeting of the Company held on 25 May 2007, ordinary resolutions were passed giving general mandates to the directors of the Company (the "**Directors**") (i) to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") of up to 10 per cent. of the issued share capital of the Company as at 25 May 2007; and (ii) to allot, issue or otherwise deal with shares up to a limit equal to (a) 20 per cent. of the shares of the Company in issue as at 25 May 2007, plus (b) (authorised by a separate ordinary resolution as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) the number of any shares repurchased by the Company.
3. Pursuant to the Companies Ordinance (Chapter 32 of Laws of Hong Kong) (the "**Companies Ordinance**") and the Listing Rules, these general mandates to repurchase, allot, issue and deal with Shares will lapse at the conclusion of the AGM, unless renewed at that meeting. As such, resolutions will be proposed at the AGM to renew the mandates in paragraph 2 above. An explanatory statement as required under the Listing Rules to provide the requisite information in connection with the proposed repurchase mandate is set out in the Appendix to this circular.
4. Following a recent review of the level of fee paid or payable to the Directors which was last fixed in 2005, it is now considered appropriate, in light of current corporate practices, that the rates of fees payable to the Directors be revised with retroactive effect from 1 January 2007. Under such fee revision proposal, the amount of fee payable to: (i) the chairman of the Company (the "**Chairman**"), originally at a rate of HK\$90,000 per annum, will be increased to HK\$100,000 per annum; (ii) each of the other Directors, originally at a rate of HK\$50,000 per annum, will be increased to HK\$60,000 per annum; and (iii) each of the members of the Company's audit committee, originally at a rate of HK\$15,000 per annum, will be increased to HK\$20,000 per annum. A resolution to give effect to such fee revision and payment will be put forward at the AGM for purposes of seeking approval from the shareholders of the Company (the "**Shareholders**").
5. Four Directors, namely, Mr. Paul M. P. Chan, Professor Edward K. Y. Chen, Dr. Raymond K. F. Ch' ien and Hon. Vincent K. Fang (the "**Retiring Directors**"), will retire from the board of Directors and are proposed to be re-elected at the AGM. The Retiring Directors do not have any fixed term of service with the Company. Therefore, after their re-election at the AGM, they will continue to be Directors for an unspecified term but will be subject to retirement by rotation from the Company's board of directors at annual general meetings of the Company on the lapse of two or three years in accordance with the provisions of the Articles of Association. Save as disclosed below, (i) so far as the Directors are aware, as at 21 April 2008 (being the latest practicable date for determining the relevant information in this circular) (the "**Latest Practicable Date**"), none of the Retiring Directors had any interest (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "**SFO**")) in the securities of the Company; (ii) none of the Retiring Directors held, or in the past three years held, any directorship in any listed public company; and (iii) none of the Retiring Directors

had any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company. In relation to the proposed re-election of the Retiring Directors, there is no information which is discloseable nor is/was any of the four Retiring Directors involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Set out below is certain additional information relating to the Retiring Directors proposed to be re-elected at the AGM:

**Paul M. P. Chan**, JP, aged 53, has been an independent non-executive Director since September 2004. He also serves as a member of the Company's audit committee. He is the chairman of PCP CPA Limited. He is also an independent non-executive director of publicly listed Kingmaker Footwear Holdings Limited, Hong Kong Economic Times Holdings Limited, China Resources Land Limited and China Communications Services Corporation Limited. He was appointed the chairman of the Legal Aid Services Council in September 2006.

Mr. Chan is a graduate of The Chinese University of Hong Kong where he obtained both his bachelor's and master's degrees in Business Administration. Mr. Chan is a Practising Certified Public Accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Society of Chinese Accountants and Auditors, the Institute of Chartered Secretaries and Administrators, the Taxation Institute of Hong Kong, the Hong Kong Institute of Company Secretaries, and a member of the Macau Society of Certified Practising Accountants.

Mr. Chan receives from the Company a Director's fee and an audit committee member's fee at such rate as from time to time approved by Shareholders, currently being HK\$50,000 and HK\$15,000 per annum respectively. He has no service contract with the Company or its subsidiaries (together the "**Group**") and therefore he receives no emolument from the Group other than the abovementioned Director's fee and audit committee member's fee.

**Edward K. Y. Chen**, GBS, CBE, JP, aged 63, has been an independent non-executive Director since 2002. He was the president of Lingnan University in Hong Kong from September 1995 to August 2007. He is an honorary professor and a distinguished fellow of the Centre of Asian Studies at the University of Hong Kong. He was a member of the Legislative Council of Hong Kong from 1991 to 1992, and a member of the Executive Council of Hong Kong from 1992 to 1997. He was also a member of the Hong Kong SAR Basic Law Consultative Committee from 1985 to 1990. He is a director of First Pacific Company Limited and Asia Satellite Telecommunications Holdings Limited. He is currently chairman of the Hong Kong Committee for Pacific Economic Cooperation.

Professor Chen receives from the Company a Director's fee at such rate as from time to time approved by Shareholders, currently being HK\$50,000 per annum. He has no service contract with the Group and therefore he receives no emolument from the Group

other than the abovementioned Director's fee.

**Raymond K. F. Ch'ien**, GBS, CBE, JP, aged 56, has been an independent non-executive Director since 2002. He is chairman of CDC Corporation and its subsidiary, China.com Inc, and chairman of MTR Corporation Limited and Hang Seng Bank Limited. Dr. Ch'ien serves on the boards of The Hongkong and Shanghai Banking Corporation Limited, Inchcape plc, Convenience Retail Asia Limited and VTech Holdings Limited.

In public service, Dr. Ch'ien is chairman of the Hong Kong/European Union Business Cooperation Committee and is a Hong Kong member of the APEC Business Advisory Council. Dr. Ch'ien is an honorary president and past chairman of the Federation of Hong Kong Industries and a Trustee of the University of Pennsylvania. From 1992 to 1997, Dr. Ch'ien was a member of the Executive Council of Hong Kong, then under British administration. He was appointed a member of the Executive Council of the Hong Kong SAR on July 1, 1997 and served until June 2002.

Dr. Ch'ien receives from the Company a Director's fee at such rate as from time to time approved by Shareholders, currently being HK\$50,000 per annum. He has no service contract with the Group and therefore he receives no emolument from the Group other than the abovementioned Director's fee.

**Hon. Vincent K. Fang**, JP, aged 64, has been an independent non-executive Director since 1993. He also serves as a member and chairman of the Company's audit committee. He is the chief executive officer of Topypy Company (Hong Kong) Limited and managing director of Fantastic Garments Limited.

Mr. Fang currently serves as a member of Legislative Council representing Wholesale and Retail in Functional Constituency. He is a member of the Hospital Authority and Hong Kong Tourism Board. He is also a member of the Operations Review Committee of the Independent Commission Against Corruption and a board member of the Airport Authority. He is the chairman of Hospital Governing Committee of Princess Margaret Hospital and Kwai Chung Hospital and the Quality Tourism Services Association. He is an honorary advisor of Hong Kong Retail Management Association and a director of The Federation of Hong Kong Garment Manufacturers. He is also a Justice of the Peace. Mr. Fang is a graduate of North Carolina State University where he obtained both his bachelor's and master's degrees in Science of Textiles Engineering.

Mr. Fang receives from the Company a Director's fee and an audit committee member's fee at such rate as from time to time approved by Shareholders, currently being HK\$50,000 and HK\$15,000 per annum respectively. He has no service contract with the Group and therefore he receives no emolument from the Group other than the abovementioned Director's fee and audit committee member's fee.

6. Pursuant to the Company's Articles of Association, subject to the Companies Ordinance, a poll may be demanded in relation to any resolution put to the vote at the AGM before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll:

- (a) by the Chairman of the meeting; or
  - (b) by at least five members present in person or by proxy for the time being entitled to vote at the meeting; or
  - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
7. Notice of the AGM is set out on pages 9 to 12 of this circular. A form of proxy for use at the AGM is enclosed herein. Whether or not you intend to be present at the AGM or any adjournment thereof, you are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof. Completion of the form of proxy and its return to the Company will not preclude you from attending, and voting at, the AGM or any adjournment thereof if you so wish.
8. The Directors believe that the proposed resolutions in relation to the general mandates to repurchase and issue the Shares (as defined in the Appendix to this circular), the revision of the rates of fee payable to the Chairman, the Directors and the audit committee members and the re-election of the Retiring Directors to be put forward at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
**Peter K. C. Woo**  
*Chairman*

## APPENDIX

### EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules which provides requisite information in connection with the proposed general mandate for repurchase of shares and also constitutes the Memorandum required under section 49BA of the Companies Ordinance. References in this Statement to "Share(s)" mean ordinary share(s) of HK\$1.00 each in the capital of the Company:

- (i) It is proposed that (aa) the general repurchase mandate will authorise the repurchase by the Company of up to 10 per cent. of the Shares in issue at the date of passing the resolution to approve the general repurchase mandate; and (bb) the general mandate to allot, issue and otherwise deal with shares of up to a limit equal to 20% of the Shares in issue at the date of passing the resolution to approve the general mandate plus the number of any Shares repurchased by the Company, both of which shall become effective as at the date of passing the respective resolutions until the earliest of (x) the conclusion of the next Annual General Meeting of the Company; (y) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and (z) the revocation or variation of the authority given under the respective resolutions by ordinary resolution of the shareholders of the Company in general meeting. As at 21 April 2008, being the Latest Practicable Date, the number of Shares in issue was 2,753,861,207 Shares. On the basis of such figure (and assuming no new Shares will be issued or no Share will be repurchased after the Latest Practicable Date and up to the date of passing such resolution), exercise in full of the general repurchase mandate would result in the repurchase by the Company of 275,386,120 Shares, and exercise in full of the general mandate to allot, issue and otherwise deal with shares would result in the allotment or issue of 550,772,241 Shares, subject to adjustment of any further shares repurchased after 21 April 2008 and up to the date of the next Annual General Meeting.
- (ii) The Directors believe that the general authority from the Shareholders to enable repurchase of Shares is in the best interests of the Company and the Shareholders. Repurchases may, depending on the circumstances and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (iii) The funds required for any repurchase would be derived from the distributable profits of the Company legally available for such purpose in accordance with the Company's constitutive documents and the laws of Hong Kong.
- (iv) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent audited financial statements for the year ended 31 December 2007 being forwarded to the Shareholders together with this circular) in the event that the general repurchase mandate were

exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the general repurchase mandate is granted by the Shareholders, to sell Shares to the Company.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general repurchase mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.
- (vii) As at the Latest Practicable Date, as recorded in the register required to be kept by the Company under Part XV of the SFO, Wheelock and Company Limited, being the controlling shareholder of the Company, was interested in approximately 50.02% of the issued share capital of the Company. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") as a consequence of any purchases pursuant to the general repurchase mandate. However, if as a result of a repurchase of Shares of a Shareholder's proportionate interest in the voting rights of the Company increases, such increase would be treated as an acquisition for the purposes of the Takeovers Code accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.
- (viii) No purchase has been made by the Company of Shares in the six months prior to the Latest Practicable Date.
- (ix) No connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell Shares to the Company in the event that the general repurchase mandate is granted by the Shareholders of the Company.
- (x) The highest and lowest prices at which Shares were traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date and from 1 April 2008 to the Latest Practicable Date are as follows:

	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
April 2007	29.00	26.25
May 2007	31.60	28.15
June 2007	33.55	29.80
July 2007	33.20	29.80
August 2007	31.60	26.45

	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
September 2007	38.30	29.90
October 2007	48.35	34.40
November 2007	45.70	35.70
December 2007	46.80	38.05
January 2008	47.80	35.80
February 2008	43.00	37.20
March 2008	40.50	32.00
From 1 April 2008 to 21 April 2008, being the Latest Practicable Date	38.20	35.20

# THE WHARF (HOLDINGS) LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of The Wharf (Holdings) Limited will be held in the Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong, on Tuesday, 27 May 2008 at 3:30 p.m. for the purpose of transacting the following businesses:

As ordinary business:

- (1) To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2007.
- (2) To declare a Final Dividend for the year ended 31 December 2007.
- (3) To re-elect retiring Directors.
- (4) To appoint Auditors and authorise the Directors to fix their remuneration.
- (5) To approve, with retroactive effect from 1 January 2007, an increase in the rate of fee payable to the Chairman of the Company from HK\$90,000 per annum to HK\$100,000 per annum, an increase in the rate of fee payable to each of the other Directors of the Company from HK\$50,000 per annum to HK\$60,000 per annum, and an increase in the rate of fee payable to each of those Directors of the Company who from time to time are also members of the Audit Committee of the Company from HK\$15,000 per annum to HK\$20,000 per annum.

And as special business, to consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

- (6) **"THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (c) for the purpose of this Resolution, "**Relevant Period**" means the period from the passing of this Resolution until whichever is the earliest of:
  - (aa) the conclusion of the next Annual General Meeting of the Company;
  - (bb) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
  - (cc) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting."

(7) **"THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options, warrants and other securities which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options, warrants and other securities which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) any executive or employee share option or incentive scheme, or (ii) a Rights Issue (as defined below), or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; plus
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution),and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

"**Relevant Period**" means the period from the passing of this Resolution until whichever is the earliest of:

- (aa) the conclusion of the next Annual General Meeting of the Company;
- (bb) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (cc) the revocation or variation of the approval given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

- (8) "**THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to ordinary resolution (7) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution (6) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution."

By Order of the Board  
**Wilson W. S. Chan**  
*Company Secretary*

Hong Kong, 28 April 2008

*Registered Office:*  
16th Floor, Ocean Centre,  
Harbour City, Canton Road,  
Kowloon,  
Hong Kong

Notes:

- (a) *A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or two proxies to attend and, in the event of a poll, to vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be deposited at the Company's registered office at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.*
- (b) *With reference to the Ordinary Resolution proposed under item (7) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the mandate to be given thereunder, other than under the executive share incentive scheme from time to time adopted by the Company.*
- (c) *The Register of Members will be closed from Tuesday, 20 May 2008 to Tuesday, 27 May 2008, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned Final Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 19 May 2008.*
- (d) *Arrangements will be made for the voting of each of the resolutions being put to the meeting to be dealt with by means of poll vote.*