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WHARF

Established 1886

THE WHARF (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 4)

DISCLOSEABLE TRANSACTION

The Board announces that the Company, through its wholly-owned subsidiaries, acquired on the open stock market in Hong Kong an aggregate of 64,463,000 WREIC Shares during the period from 30 August 2019 to 16 March 2020 (both days inclusive) at an aggregate consideration in cash of approximately HK\$2,827 million.

On the basis that one or more of the applicable percentage ratios in respect of the Transaction is/are greater than the 5% threshold while all such ratios are below the 25% threshold for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE TRANSACTION

- Dates** : During the period from 30 August 2019 to 16 March 2020 (both days inclusive).
- Parties** : (1) Certain wholly-owned subsidiaries of the Company as the purchasers.
- (2) Sellers in the open stock market in Hong Kong. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry (where practicable), the sellers and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.
- Interests acquired** : An aggregate of 64,463,000 WREIC Shares representing approximately 2.1% of all the issued shares of WREIC as at the date of this announcement.

Consideration

The consideration of the Transaction ranged from HK\$33.21 to HK\$46.74 per WREIC Share (exclusive of brokerage, transaction levy and trading fee), and the total consideration (exclusive of brokerage, transaction levy and trading fee) was approximately HK\$2,827 million in cash and was satisfied on the respective settlement dates from internal resources.

The consideration per WREIC Share (exclusive of brokerage, transaction levy and trading fee) represented the market prices quoted on the Stock Exchange at the relevant time at which the acquisitions under the Transaction were executed.

Information on WREIC

WREIC is a Hang Seng Index constituent stock on the Stock Exchange. The principal business activities of WREIC group are development, ownership and operation of properties and hotels in Hong Kong and Singapore for investment purposes.

The net asset value attributable to the shareholders of WREIC as at 31 December 2019 was approximately HK\$216,164 million. Based on the consolidated financial statements of WREIC for the two financial years ended 31 December 2018 and 2019, the consolidated net profit before taxation and extraordinary items of WREIC for those two financial years were approximately HK\$20,253 million and HK\$5,952 million respectively, and the consolidated net profits after taxation and extraordinary items and before minority interests of WREIC for those two financial years were approximately HK\$18,259 million and HK\$3,991 million respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board is of the view that stock market conditions in the past year presented an opportunity for acquisition of WREIC Shares both for recurrent yield and long term capital appreciation. The Board is confident on the long term growth potential of the property investment in Hong Kong.

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

REGULATORY ASPECTS

On the basis that one or more of the applicable percentage ratios in respect of the Transaction is/are greater than the 5% threshold while all such ratios are below the 25% threshold for the purposes of Rule 14.07 of the Listing Rules, the Transaction constituted a discloseable transaction for the Company under the Listing Rules and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

GENERAL

The principal business activities of Wharf Group are investment properties and development properties in Hong Kong and Mainland China, hotels ownership and management, and logistics.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	The Wharf (Holdings) Limited (stock code: 4), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	shall have the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the purchases by wholly-owned subsidiaries of the Company of an aggregate of 64,463,000 WREIC Shares conducted on the open stock market in Hong Kong during the period from 30 August 2019 to 16 March 2020 (both days inclusive) at an aggregate consideration of approximately HK\$2,827 million (exclusive of brokerage, transaction levy and trading fee)
“WREIC”	Wharf Real Estate Investment Company Limited (stock code: 1997), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange, and being a fellow subsidiary of the Company with Wheelock and Company Limited (stock code: 20) as the common controlling shareholder as at the date of this announcement
“WREIC Share(s)”	ordinary share(s) of WREIC in issue
“Wharf Group”	the Company and its subsidiaries

By order of the Board of
THE WHARF (HOLDINGS) LIMITED
Kevin C. Y. Hui
Company Secretary

Hong Kong, 17 March 2020

As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Mr. Andrew O. K. Chow, Ms. Doreen Y. F. Lee, Mr. Paul Y. C. Tsui and Mr. Kevin K. P. Chan, together with five Independent Non-executive Directors, namely, Professor Edward K. Y. Chen, Mr. Vincent K. Fang, Mr. Hans Michael Jebsen, Ms. Elizabeth Law and Mr. David Muir Turnbull.