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WHEELOCK PROPERTIES

## **WHEELOCK PROPERTIES LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 49

*Directors:*

Peter K. C. Woo, *GBS, JP (Chairman)*

Joseph M. K. Chow, *OBE, JP*

Herald L. F. Lau\*

Gonzaga W. J. Li

David T. C. Lie-A-Cheong, *JP\**

T. Y. Ng

Paul Y. C. Tsui

Ricky K. Y. Wong

Glenn S. Yee\*

*Registered Office:*

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

(\* Independent Non-executive Directors)

16 July 2007

*To the Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION**

#### **INTRODUCTION**

On 25 June 2007, an announcement was issued by Wheelock Properties Limited (the "**Company**"; together with its subsidiaries, the "**Group**") regarding a transaction carried out on 22 June 2007 by the Company's 75.8%-owned Singapore listed subsidiary, namely, Wheelock Properties (Singapore) Limited ("**WPSL**"), for the purchase by WPSL from Roveron Pte Ltd of 18,682,000 ordinary shares, representing 10% of the entire issued share capital, of a Singapore listed company called SC Global Developments Ltd at a total consideration of S\$112,092,000 (equal to about HK\$571.7 million) (the "**Transaction**").

The Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") of The Stock Exchange

of Hong Kong Limited (the "**Stock Exchange**"). The purpose of this circular is to provide the shareholders of the Company with further information relating to the Transaction.

## **DETAILS OF THE TRANSACTION**

**Transaction date:** 22 June 2007

### **Parties:**

Roveron Pte Ltd (the "**Vendor**") as the vendor.

WPSL, a publicly-listed company in Singapore, which is a 75.8%-owned subsidiary of the Company, as the purchaser.

### **Assets to acquire:**

18,682,000 ordinary shares in SC Global Developments Ltd ("**SC Global**") (the "**Sale Share(s)**"), representing 10% of the entire issued share capital of SC Global.

### **Consideration and payment terms:**

The total amount of consideration in respect of the Sale Shares, which is the subject of the Transaction, is S\$112,092,000 (equal to about HK\$571.7 million, on the basis of an exchange rate of S\$1 = HK\$5.1), representing a price of S\$6 per Sale Share. The Transaction was carried out by means of dealing in the Sale Shares on the stock exchange in Singapore, and therefore no deposit was payable on the Transaction date. The purchase price was fully paid in cash on completion of the Transaction, which took place on 27 June 2007.

The consideration paid by WPSL was funded from the internal resources of the WPSL group.

## **INFORMATION ON SC GLOBAL DEVELOPMENTS LTD**

SC Global was first listed on the stock exchange in Singapore in 1982. The principal activities of SC Global are property development, investment holdings, and provision of project management and marketing services. SC Global generated revenue of S\$190.8 million (equal to about HK\$973.1 million) for its financial year ended 31 December 2006.

Based on the statements of accounts of SC Global for the financial years ended 31 December 2005 and 2006 respectively, SC Global recorded a net profit, before taxation and extraordinary items, of S\$16.7 million (equal to about HK\$85.2 million) and S\$40.5 million (equal to about HK\$206.6 million) respectively, and a net profit, after taxation and extraordinary items, of S\$14.7 million (equal to about HK\$75.0 million) and S\$32.5 million (equal to about HK\$165.8 million) respectively. Under the Transaction, there is no restriction on WPSL for any subsequent sale of any of the Sale Shares.

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

The directors of WPSL are of the view that the acquisition of the Sale Shares is a viable investment, which will broaden the asset and earning base of the WPSL group. The directors of the Company (the "**Directors**") believe that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## GENERAL

The Transaction was entered into on an arm's length and willing-buyer and willing-seller basis. The consideration per Sale Share for the Transaction was arrived at on the basis of, and represent, a 7% discount on the last traded price as at 21 June 2007 on the stock exchange in Singapore or a 233% premium to the last disclosed but unaudited net tangible asset value per share of SC Global at S\$1.80 (equal to about HK\$9.18) as at 31 March 2007. The total market value, based on the last traded price as at 21 June 2007, of the Sale Shares amounted to S\$120.5 million (equal to about HK\$614.5 million). The unaudited net tangible asset value of the entire issued share capital of SC Global as at 31 March 2007 amounted to S\$262.3 million (equal to about HK\$1,337.7 million). WPSL did not hold any shareholding interest in SC Global before the Transaction. On completion of the Transaction, WPSL holds 10% of SC Global.

The principal business activities of the Group, and also of WPSL group, are ownership of properties for development and letting as well as investment holding, and those of the Vendor are property development, investment holdings, and provision of project management and marketing services.

On completion of the Transaction, the total carrying value of the available-for-sale investments held by the Group has increased by about HK\$571.7 million, while the Group's cash or cash equivalent has decreased by about HK\$571.7 million and there is no effect on the liabilities of the Group. The Company believes that the Transaction will not have any significant effect on the Group's earnings.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor and the ultimate beneficial owner (if any) of the Vendor, and also SC Global and its ultimate beneficial owner (if any), are third parties independent of the Company and not connected persons (as defined in the Listing Rules) of the Company.

## REGULATORY MATTERS

Given its size or value, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The following additional information is given in compliance with the Listing Rules:-

### (1) Directors' Interests in Shares

As at 10 July 2007, being the latest practicable date prior to the printing of this circular letter (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 (if any) and debentures (if any) of the Company or any of its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), namely, Wheelock and Company Limited ("**Wheelock**") (the Company's parent company), and The Wharf (Holdings) Limited ("**Wharf**") (an associate of Wheelock), 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, together with the percentages which the relevant shares represented to the issued share capitals of the three companies were as follows:

	<b>Nature of Interest</b>	<b>No. of Ordinary Shares</b>	<b>Percentage Holdings</b>
<b>The Company</b>			
G. W. J. Li	Personal Interest	2,900	0.0001%
<b>Wheelock</b>			
P. K. C. Woo	Personal Interest in 8,847,510 shares, Corporate Interest in 200,865,142 shares and Other Interest in 995,221,678 shares	1,204,934,330	59.3023%
G. W. J. Li	Personal Interest	1,486,491	0.0732%
T. Y. Ng	Personal Interest	70,000	0.0034%
<b>Wharf</b>			
G. W. J. Li	Personal Interest	686,549	0.0280%
T. Y. Ng	Personal Interest	178,016	0.0073%

*Notes:*

- (a) *The 995,221,678 shares of Wheelock stated above as "Other Interest" against the name of Mr. P. K. C. Woo represented an interest comprised in certain trust properties in which Mr. Woo was taken, under certain provisions in Part XV of the SFO which are applicable to a director or chief executive of a listed company, to be interested.*
- (b) *The shareholdings classified as "Corporate Interest" in which the Director concerned was taken to be interested as stated above were interests of corporations at respective general meetings of which the Director was either entitled to exercise (or taken under Part XV of the SFO to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.*

Save 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 (if any) of the Company in shares, underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO).

## (2) 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:

	<b>Names</b>	<b>No. of Ordinary Shares</b>	<b>Percentage Holdings</b>
(i)	Myers Investments Limited	1,536,058,277	74.22%
(ii)	Wheelock Corporate Services Limited	1,536,058,277	74.22%
(iii)	Wheelock and Company Limited	1,536,058,277	74.22%
(iv)	HSBC Trustee (Guernsey) Limited	1,536,058,277	74.22%

*Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the above-stated shareholdings to the extent that the shareholdings stated against parties (i) to (iv) above represent the same block of shares.*

Save as disclosed above, 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 interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company 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.

## (3) 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).

## (4) Directors' Interests in Competing Business

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) is considered as having any interest in a business, which competes or may compete with the business of the Group.

As at the Latest Practicable Date, five Directors, namely, Messrs. P. K. C. Woo, G. W. J. Li, T. Y. Ng, P. Y. C. Tsui and R. K. Y. Wong, being also directors of the Company's parent company, namely, Wheelock, and/or certain subsidiaries of Wheelock, are considered as having an interest in Wheelock under Rule 8.10 of the Listing Rules.

The ownership of commercial premises by Wheelock group for rental purposes is considered as competing with the commercial premises owned by the Group for letting. Since the Group's commercial premises are not in close proximity to those owned by the Wheelock group and the customers and tenants for the Group's properties are somewhat different from those for the properties owned by the Wheelock group, the Group considers that its interest regarding the business of owning and letting of commercial premises is adequately safeguarded.

For safeguarding the interests of the Group, the independent non-executive Directors and the audit committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's property leasing business is and continues to be run on the basis that it is independent of, and at arm's length from, that of the Wheelock group.

**(5) Litigation**

As at the Latest Practicable Date, as far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any member of the Group.

**(6) Other Information**

- (a) The secretary of the Company is Mr. W. 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 Mr. H. B. Hung, who is a fellow member of The Association of Chartered Certified Accountants and 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, Tengis Limited, and is situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

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

*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 enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*