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WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 20

DISCLOSEABLE TRANSACTION

The Board announces that on 8 March 2018, the Purchaser (being a wholly-owned subsidiary of the Company) entered into the Binding Offer with, *inter alia*, the Vendor whereby the Purchaser agreed to acquire from the Vendor the Sale Share, representing the entire issued share capital of Target Company, and the Sale Loan, being all amounts owed by Target Company to the Vendor. The total consideration payable by the Purchaser is HK\$6,359.2 million. Target Company is the indirect sole owner of the Property.

On the basis that one or more of the applicable percentage ratios in respect of the Acquisition 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 Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 8 March 2018, the Purchaser (being a wholly-owned subsidiary of the Company) entered into the Binding Offer with, *inter alia*, the Vendor whereby the Purchaser agreed to acquire from the Vendor the Sale Share, representing the entire issued share capital of Target Company, and the Sale Loan. The total consideration for the transaction is HK\$6,359.2 million.

DETAILS OF THE BINDING OFFER

Date: 8 March 2018

- Parties:**
- (1) Omnilink Assets Limited, as the Vendor
 - (2) Fabulous New Limited, as the Purchaser
 - (3) Hong Kong International Construction Investment Management Group Co., Limited, as the Vendor's Guarantor
 - (4) Wheellock Properties Limited, as the Purchaser's Guarantor

Assets being acquired: The Sale Share, being 1 ordinary share of Target Company, representing the entire issued share capital of Target Company, and the Sale Loan, being all amounts which Target Company owes to the Vendor as at Completion.

Target Company is an investment holding company. Its principal asset comprises all the issued shares of the Lot Owner, whose principal asset is the Property. The site area of the Property is about 7,318 square metres and is currently under construction for a residential development for sale. The maximum gross floor area for the development of the Property is approximately 39,517 square metres.

Consideration and Payment Terms

The total consideration payable by the Group is HK\$6,359.2 million, which comprises the amounts of consideration for the Sale Share and the Sale Loan.

HK\$500 million has been paid by the Group on 8 March 2018 (the “Earnest Money”) and on the signing of the SPA, which is expected to take place on or before 29 March 2018, the Purchaser will pay a further amount, which together with the Earnest Money will be equal to 20% (the “Deposit”) of the total consideration. The Earnest Money and also the further payment are/will be fully deposited with a licensed bank as escrow agent, and will not be received by the Vendor until Completion. The remaining balance of the total consideration being the total consideration less the Deposit (subject to adjustments), namely, HK\$5,087.3 million, will be payable on the date of Completion, which is expected to take place on or before 16 May 2018, or, in the event that one or more of the conditions precedent has/have not been satisfied or waived before 16 May 2018, Completion will instead take place on or before the Long Stop Date.

The total consideration was arrived at after arm’s length negotiation between the Vendor and the Purchaser, having taken into account of, among other factors, the outstanding construction costs relating to the development of the Property, the potential market value of the Property by reference to the market values of comparable properties in the vicinity of the Property.

The consideration has been and will be satisfied by cash, which has been and will be funded by the Group’s internal resources and bank borrowings.

FINANCIAL INFORMATION ON TARGET COMPANY ETC.

A summary of the unaudited financial results of Target Company (on a consolidated basis) for each of the two years ended 31 December 2016 and 2017 is set out below:-

	For the year ended 31 December 2016	For the year ended 31 December 2017
Net losses before taxation and extraordinary items	HK\$12,023	HK\$80,400
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As at 31 December 2017, the unaudited net liabilities of Target Company (on a consolidated basis) amounted to approximately HK\$92,422.

The book value of the Sale Loan was approximately HK\$2,787.5 million as at 31 December 2017.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The transaction offers an opportunity for the Group to expand its development property portfolio in Kai Tak area which at present comprises OASIS KAI TAK, and is therefore beneficial to the Group as a property developer. The Directors believe that the terms of the Acquisition 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 Acquisition 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 Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

The principal business activities of the Group are ownership of properties for development and letting, investment holding and container terminals. The principal business activity of the Vendor is investment holding.

The Vendor's Guarantor and the Purchaser's Guarantor have agreed to guarantee the due, proper and punctual performance of the obligations of the Vendor and the Purchaser respectively under the Binding Offer and the SPA. Completion of the transaction is conditional upon the satisfaction of various conditions precedent, including, among other things, the necessary approval of the relevant transactions by shareholders of the Vendor's Guarantor. In the event that one or more of the conditions precedent has/have not been satisfied and/or waived on or before the Long Stop Date, the Vendor or the Purchaser may by written notice to the Vendor terminate the Binding Offer or the SPA (as the case may be), subject to the relevant provisions in the Binding Offer and SPA.

In the event of default of any provision under the Binding Offer and/or the SPA, the defaulting Parties will be responsible to compensate the non-defaulting Parties for loss and damages arising from the default and/or the other Parties may obtain an order for specific performance of the Binding Offer.

If for any reason, the SPA has not been executed by the Vendor and the Purchaser, the Parties shall continue to perform and complete the transaction as stipulated in and in accordance with the Binding Offer.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and the ultimate beneficial owner of the Vendor are third parties independent of the Company and connected persons of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:-

“Acquisition”	the acquisition of the Sale Share and the Sale Loan pursuant to the Binding Offer and/or SPA
“Binding Offer”	the letter of agreement dated 8 March 2018 between the Purchaser and the Vendor (with the Purchaser’s Guarantor and the Vendor’s Guarantor also being parties thereto) in respect of the offer to the Vendor by the Purchaser to acquire the Sale Share and the Sale Loan, such offer being binding on both parties
“Board”	the board of Directors
“Company”	Wheelock and Company Limited (Stock Code: 20), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Long Stop Date”	30 June 2018
“Lot Owner”	Top Genius Holdings Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Target Company as at the date of this announcement
“Parties”	the Vendor, the Purchaser, the Vendor’s Guarantor and the Purchaser’s Guarantor
“Property”	the development under construction on New Kowloon Inland Lot No. 6564
“Purchaser”	Fabulous New Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Purchaser’s Guarantor”	Wheelock Properties Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“Sale Loan”	all amounts (whether principal, interest or otherwise) which Target Company owes to the Vendor as at Completion
“Sale Share”	1 ordinary share of Target Company, representing the entire issued share capital of Target Company
“SPA”	pursuant to the Binding Offer, the sale and purchase agreement to be entered into between the Vendor, the Purchaser, the Vendor’s Guarantor and the Purchaser’s Guarantor in respect of the sale and purchase of the Sale Share and the Sale Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Onwards Asia Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Vendor as at the date of this announcement
“Vendor”	Omnilink Assets Limited, a company incorporated in the British Virgin Islands
“Vendor’s Guarantor”	Hong Kong International Construction Investment Management Group Co., Limited (Stock Code: 687), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

By Order of the Board of
WHEELOCK AND COMPANY LIMITED
Wilson W. S. Chan
Company Secretary

Hong Kong, 8 March 2018

As at the date of this announcement, 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 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 Mr. Glenn S. Yee.