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PETRUS HK CO LIMITED

HOPEWELL HOLDINGS LIMITED

合和實業有限公司

(incorporated in Hong Kong with limited liability)

(incorporated in Hong Kong with limited liability)

(Stock Code: 54)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
HOPEWELL HOLDINGS LIMITED BY PETRUS HK CO LIMITED
BY WAY OF
A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
HOPEWELL HOLDINGS LIMITED**

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

(4) RESUMPTION OF TRADING IN SHARES

Exclusive Financial Adviser to the Offeror



Citigroup Global Markets Asia Limited

INTRODUCTION

The respective directors of the Offeror and the Company jointly announce that on 2 December 2018, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share.

TERMS OF THE PROPOSAL

Under the Scheme, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$38.80 in cash for each Scheme Share.

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed "*Conditions of the Proposal*" in this announcement. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

As at the date of this announcement:

- (a) the issued share capital of the Company is 868,620,621 Shares;
- (b) the Offeror does not legally and beneficially own, control or have direction over any Shares;
- (c) the Consortium Offeror Concert Parties beneficially own, control or have direction over 320,774,690 Shares, representing approximately 36.93% of the issued share capital of the Company;
- (d) Mr. Thomas WU, Mr. KWOK Tse Wah and Mr. Thomas KWOK, being Non-Consortium Offeror Concert Parties, beneficially own, control or have direction over 30,196,600 Shares, representing approximately 3.48% of the issued share capital of the Company;
- (e) members of the Citigroup group (except those which have been granted exempt principal trader or exempt fund manager status, for the purpose of the Takeovers Code), being Non-Consortium Offeror Concert Parties, do not beneficially own, control or have direction over any Shares;
- (f) other than the Consortium Offeror Concert Parties, Mr. Thomas WU, Mr. KWOK Tse Wah and Mr. Thomas KWOK, the Offeror Concert Parties do not hold any other Shares; and
- (g) the Scheme Shareholders (which include the Non-Consortium Offeror Concert Parties) hold 547,845,931 Shares, representing approximately 63.07% of the issued share capital of the Company.

As at the date of this announcement, (a) the Scheme Shares comprise a total of 547,845,931 Shares held or beneficially owned by the Scheme Shareholders (which include the Non-Consortium Offeror Concert Parties), representing approximately 63.07% of the issued share capital of the Company; and (b) the Consortium Offeror Concert Party Shares comprise 320,774,690 Shares held or beneficially owned by the Consortium Offeror Concert Parties, representing approximately 36.93% of the issued share capital of the Company.

As at the date of this announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 868,620,621 Shares.

Upon the Scheme becoming effective, the Consortium Offeror Concert Parties will directly or indirectly hold 36.93% of the issued share capital of the Company and the Offeror will directly hold 63.07% of the issued share capital of the Company.

INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser will be appointed by the Board in due course to advise the Independent Board Committee on the Proposal. A further announcement will be made after the appointment of the Independent Financial Adviser.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the High Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

DESPATCH OF THE SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Monday, 3 December 2018 pending the release of this

announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 6 December 2018.

WARNINGS

Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

Notice to US investors

The Proposal is being made to cancel the securities of a Hong Kong company by means of a scheme of arrangement provided for under the Companies Ordinance and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

INTRODUCTION

On 2 December 2018, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment to each Scheme Shareholder of the Cancellation Price in cash for each Scheme Share;
- (b) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled. The credit arising in the books of account of the Company as a result of the capital reduction will be applied in paying up the new Shares so allotted and issued, credited as fully paid, to the Offeror; and
- (c) the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect from the Effective Date.

The Offeror intends to focus on the existing business of the Group upon the Scheme becoming effective.

TERMS OF THE PROPOSAL

Cancellation Price for the Scheme Shares

Under the Scheme, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$38.80 in cash for each Scheme Share.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

In the paragraphs below titled "Comparison of value" and "Highest and lowest prices", the historical closing prices per Share mentioned as quoted on the Stock Exchange were obtained from the website of the Stock Exchange (<http://www.hkex.com.hk>) on the Last Trading Day, and thus have been adjusted for

corporate actions and entitlement events including special dividends based on adjustment methods adopted by the Stock Exchange. Please refer to the website of the Stock Exchange for the adjustment method of historical securities prices.

Comparison of value

The Cancellation Price of HK\$38.80 per Scheme Share represents:

- (a) a premium of approximately 46.7% over the closing price of HK\$26.45 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 48.8% over the average closing price of approximately HK\$26.07 per Share as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Date;
- (c) a premium of approximately 55.5% over the average closing price of approximately HK\$24.95 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 54.1% over the average closing price of approximately HK\$25.18 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 49.6% over the average closing price of approximately HK\$25.93 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 45.1% over the average closing price of approximately HK\$26.74 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 41.3% over the average closing price of approximately HK\$27.45 per Share as quoted on the Stock Exchange for the 360 trading days up to and including the Last Trading Date; and
- (h) a discount of approximately 35.6% to the unaudited consolidated net asset value per Share of approximately HK\$60.21 as at 30 September 2018.

The Cancellation Price has been determined after taking into account the recently traded prices of the Shares, the historic traded prices of the Shares and publicly available financial information of the Company, and with reference to other privatisation transactions in Hong Kong in recent years.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$28.20 on 29 August 2018 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$24.00 on 16 October 2018.

During the twelve-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$31.01 on 16 January 2018 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$24.00 on 16 October 2018.

Total consideration and financial resources

On the basis of the Cancellation Price of HK\$38.80 per Scheme Share and 547,845,931 Scheme Shares in issue as at the date of this announcement, the amount of cash payable to the Scheme Shareholders under the Proposal would be approximately HK\$21,256.4 million.

The Offeror intends to finance the cash required for the Proposal through new credit facilities made available to the Offeror by Citibank, N.A., Hong Kong Branch and other lenders selected by the mandated lead arranger and bookrunner in consultation with the Offeror for the Certain Funds Period.

Citigroup, the exclusive financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal.

Consortium arrangement and issue of new Shares

The issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled.

Shares held by the Consortium Offeror Concert Parties will not be cancelled under the Scheme and will continue to be held by them upon the Scheme becoming effective. In addition, each of the Consortium Offeror Concert Parties either (a) already hold shares in Topco or (b) will hold new shares in Holdco to be issued prior to the Scheme becoming effective at a par value of US\$1 per share in accordance with the Subscription Letters such that, upon the Scheme becoming effective, they will indirectly hold the shares in the Offeror in proportion to their respective shareholding of the Consortium Offeror Concert Party Shares.

Upon the Scheme becoming effective, the Consortium Offeror Concert Parties will directly or indirectly hold 36.93% of the issued share capital of the Company and the Offeror will directly hold 63.07% of the issued share capital of the Company.

Conditions of the Proposal

The Proposal is, and the Scheme will become effective and binding on the Company and all the Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the Scheme being approved by the Disinterested Shareholders representing at least 75% of the voting rights of the Disinterested Shareholders present and voting, in person or by proxy, at the Court Meeting, with votes cast against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all disinterested Shares (as respectively defined in Note 6 to Rule 2 of the Takeovers Code and section 674(3) of the Companies Ordinance);
- (b) the passing of a special resolution by the Shareholders at the EGM (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the

approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled;

- (c) the sanction of the Scheme (with or without modification) under section 673 of the Companies Ordinance and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme under section 229 of the Companies Ordinance by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;
- (e) all authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required or desirable under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (f) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms);
- (g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms; and
- (h) since the date of this announcement:
 - (i) there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal; and
 - (ii) there not having been instituted, threatened in writing or remaining outstanding any litigation, arbitration, other proceedings or other dispute resolution process to which any such member is a party (whether as plaintiff, defendant or otherwise) and no investigation by any government, quasi-governmental, supranational, regulatory or

investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, instituted or remaining outstanding, in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms.

The Offeror reserves the right to waive all or any of the Conditions (except for the Conditions in paragraphs (a) to (d) above) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal.

With reference to the Condition in paragraph (e), as at the date of this announcement, the Offeror and the Company are not aware of any requirement for such authorisations, approvals, permissions, waivers, consents, enquiry, registrations or filings other than those set out in the Conditions in paragraphs (a) to (d). With reference to the Condition in paragraph (f), as at the date of this announcement, the Offeror and the Company are not aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order. With reference to the Condition in paragraph (g), as at the date of this announcement, the Offeror and the Company are not aware of any such non-compliance or legal or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (d).

The Scheme is subject to the requirement under section 674(2) of the Companies Ordinance that members representing at least 75% of the voting rights of the members present and voting (in person or by proxy) at the Court Meeting agree to the Scheme, and the requirement under Rule 2.10 of the Takeovers Code that the Scheme must be approved by at least 75% of the votes attaching to the disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) that are cast (in person or by proxy) at the meeting of the holders of the disinterested Shares. Accordingly:

- (a) for the purpose of the Companies Ordinance, the 75% approval threshold will be determined by reference to the voting rights of the Scheme Shareholders, who attend and vote (in person or by proxy) at the Court Meeting. As (i) the Offeror and the Consortium Offeror Concert Parties are not Scheme Shareholders at the Court Meeting, and (ii) the other Offeror Concert Parties, (including Mr. Thomas WU, Mr. KWOK Tse Wah and Mr. Thomas KWOK), are required to abstain from voting at the Court Meeting, the voting rights in respect of the relevant Shares held by the Offeror and all the Offeror Concert Parties will not be taken into account in determining whether the 75% approval requirement under the Companies Ordinance has been satisfied; and
- (b) for the purpose of the Takeovers Code, the 75% approval threshold will be determined by reference to the votes attaching to all the Scheme Shares held by the Disinterested Shareholders which are cast (in person or by proxy) at the Court Meeting.

Therefore, in order to satisfy the requirements under both the Companies Ordinance and the Takeovers Code, the 75% approval threshold will be determined by reference to the Shares held by the Shareholders (other than Shares held by the Offeror and the Offeror Concert Parties) who attend and vote at the Court Meeting.

The Scheme is also subject to the requirement under section 674(2) of the Companies Ordinance that the votes cast against the Scheme at the Court Meeting shall not exceed 10% of the voting rights attached to all disinterested Shares (as defined in section 674(3) of the Companies Ordinance), and the requirement under Rule 2.10 of the Takeovers Code that the number of votes cast against the resolution to approve the Scheme at the meeting of the holders of disinterested Shares (as defined in Note 6 to Rule 2 of the Takeovers Code) shall not be more than 10% of the votes attaching to all disinterested Shares. Accordingly:

- (a) for the purpose of the Companies Ordinance, all Scheme Shares (i.e. all the Shares in issue as at the Record Date, other than any held or beneficially owned by the Offeror and the Consortium Offeror Concert Parties and their respective associates (as defined in Division 2 of Part 13 of the Companies Ordinance)) will be regarded as disinterested Shares; and
- (b) for the purpose of the Takeovers Code, all Scheme Shares other than any held by the Offeror and the Offeror Concert Parties will be regarded as disinterested Shares.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warning: Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

As at the date of this announcement:

- (a) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Offeror which might be material to the Proposal;
- (b) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal; and
- (c) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY AND VOTING

As at the date of this announcement:

- (a) the issued share capital of the Company is 868,620,621 Shares;
- (b) the Offeror does not legally and beneficially own, control or have direction over any Shares;
- (c) the Consortium Offeror Concert Parties beneficially own, control or have direction over 320,774,690 Shares, representing approximately 36.93% of the issued share capital of the Company;
- (d) Mr. Thomas WU, Mr. KWOK Tse Wah and Mr. Thomas KWOK, being Non-Consortium Offeror Concert Parties, beneficially own, control or have direction over 30,196,600 Shares, representing approximately 3.48% of the issued share capital of the Company;
- (e) members of the Citigroup group (except those which have been granted exempt principal trader or exempt fund manager status for the purposes of the Takeovers Code), being Non-Consortium Offeror Concert Parties, do not beneficially own, control or have direction over any Shares;
- (f) other than the Consortium Offeror Concert Parties, Mr. Thomas WU, Mr. KWOK Tse Wah and Mr. Thomas KWOK, the Offeror Concert Parties do not hold any other Shares;
- (g) the Scheme Shareholders (which include the Non-Consortium Offeror Concert Parties) hold 547,845,931 Shares, representing approximately 63.07% of the issued share capital of the Company;
- (h) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;
- (i) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company; and
- (j) neither the Offeror nor the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this announcement, (a) the Scheme Shares comprise a total of 547,845,931 Shares held or beneficially owned by the Scheme Shareholders (which include the Non-Consortium Offeror Concert Parties), representing approximately 63.07% of the issued share capital of the Company; and (b) the Consortium Offeror Concert Party Shares comprise 320,774,690 Shares held or beneficially owned by the Consortium Offeror Concert Parties, representing approximately 36.93% of the issued share capital of the Company.

The shareholding structure of the Company as at the date of this announcement and immediately upon the Scheme becoming effective (assuming no new Shares will be issued prior thereto) is set out below.

Shareholder	As at the date of this announcement		Immediately upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company
(A) Offeror	-	-	547,845,931	63.07
(B) Consortium Offeror Concert Parties not subject to the Scheme⁽¹⁾				
Sir Gordon WU ⁽²⁾	78,098,782	8.99	78,098,782	8.99
Lady Ivy WU ⁽³⁾	27,073,300	3.12	27,073,300	3.12
Sir Gordon WU and Lady Ivy WU ⁽⁴⁾	139,114,458	16.01	139,114,458	16.01
Ms. June WU ⁽⁵⁾	420,000	0.05	420,000	0.05
Ms. Carol WU	400,000	0.05	400,000	0.05
Clyde & Helen WU Irrevocable Trust ⁽⁶⁾	13,991,000	1.61	13,991,000	1.61
Roger Man-Yuk WU Irrevocable Trust ⁽⁷⁾	15,635,000	1.80	15,635,000	1.80
David Man-Hay WU Irrevocable Trust ⁽⁸⁾	15,635,000	1.80	15,635,000	1.80
Mr. Guy WU	2,645,650	0.30	2,645,650	0.30
Mr. Eddie HO ⁽⁹⁾	27,761,500	3.20	27,761,500	3.20
Sub-total	320,774,690	36.93	320,774,690	36.93
(C) Non-Consortium Offeror Concert Parties subject to the Scheme				
Mr. Thomas WU	29,000,000	3.34	-	-
Mr. KWOK Tse Wah	1,021,600	0.12	-	-
Mr. Thomas KWOK	175,000	0.02	-	-
Sub-total	30,196,600	3.48	-	-
(D) Offeror and the Offeror Concert Parties				
(A) + (B) + (C)	350,971,290	40.41	868,620,621	100.00

(E) Disinterested Shareholders subject to the Scheme	517,649,331	59.59	-	-
(F) Scheme Shareholders				
(C) + (E)	547,845,931	63.07	-	-
TOTAL				
(A) + (B) + (C) + (E)	868,620,621	100.00	868,620,621	100.00

Note (1): Upon the Scheme becoming effective, the Consortium Offeror Concert Parties will directly or indirectly hold Shares in the Company and also indirectly hold Shares in the Company through the Offeror.

Note (2): As at the date of this announcement, 34,428,782 Shares are directly held by Sir Gordon WU and 43,670,000 Shares are indirectly held by Sir Gordon WU through his directly or indirectly wholly-owned companies, Cheer Dale Ltd., Garwin Limited, Ixia Investment Ltd., Prime Land Investment Ltd and Principal Land Investment Ltd.

Note (3): As at the date of this announcement, 20,193,300 Shares are directly held by Lady Ivy WU and 6,880,000 Shares are indirectly held by Lady Ivy WU through her wholly-owned company, Bongear Investment Limited.

Note (4): As at the date of this announcement, 30,680,000 Shares are directly held by Sir Gordon WU and Lady Ivy WU in their joint names and 108,434,458 Shares are indirectly held by Sir Gordon WU and Lady Ivy WU through their directly or indirectly wholly-owned companies, Chi Chung Company, Limited, Eurotel Properties Limited, Fair Blossom Ltd., Rayforce Ltd. and Whitaco Ltd.

Note (5): Ms. June WU holds her Shares in the Company through her wholly-owned company, Ocean Perfect Limited.

Note (6): The Clyde & Helen WU Irrevocable Trust is a trust initially granted by Sir Gordon WU to the late Dr. Clyde WU and the late Mrs. Helen WU as trustees for the benefit of the grandchildren and more remote issue of the late Dr. Clyde WU and the late Mrs. Helen WU and is currently administered by Mr. David WU and Mr. Thomas MACFARLANE as co-trustees.

Note (7): The Roger Man-Yuk WU Irrevocable Trust is a trust initially granted by Sir Gordon WU to Mr. Roger WU and the late Dr. Clyde WU as trustees for the benefit of Mr. Roger WU and his issue and is currently administered by Mr. Roger WU and Mr. Thomas MACFARLANE as co-trustees.

Note (8): The David Man-Hay WU Irrevocable Trust is a trust initially granted by Sir Gordon WU to Mr. David WU and the late Dr. Clyde WU as trustees for the benefit of Mr. David WU and his issue and is currently administered by Mr. David WU and Mr. Thomas MACFARLANE as co-trustees.

Note (9): As at the date of this announcement, 27,691,500 Shares are directly held by Mr. Eddie HO and 70,000 Shares are indirectly held by Mr. Eddie HO through his wholly-owned company, Super Winner Investment Limited.

As at the date of this announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 868,620,621 Shares.

For the avoidance of doubt, the Scheme Shareholders include the Non-Consortium Offeror Concert Parties as their Shares will be cancelled upon the Scheme becoming effective.

All Shareholders will be entitled to vote on the special resolution to be proposed at the EGM to approve and give effect to the reduction of capital and the implementation of the Scheme. The Consortium Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Consortium Offeror Concert Parties will vote in favour of the special resolution to be proposed at the EGM to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled. Upon the Scheme becoming effective, the Consortium Offeror Concert Parties will directly or indirectly hold 36.93% of the issued share capital of the Company and the Offeror will directly hold 63.07% of the issued share capital of the Company.

EXCLUSIVE FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Citigroup as its exclusive financial adviser in connection with the Proposal.

The Independent Board Committee, which comprises Ms. Linda Lai Chuen LOKE, Mr. Sunny TAN, Dr. Gordon YEN, Mr. Ahito NAKAMURA and Mr. Yuk Keung IP, being all the independent non-executive Directors, has been established by the Board to make a recommendation to the Scheme Shareholders as to whether the Proposal is, or is not, fair and reasonable and as to voting.

Lady Ivy WU, Mr. Carmelo Ka Sze LEE and Mr. Guy WU, being all the non-executive Directors, do not form part of the Independent Board Committee due to their respective interest in the Proposal as follows:

- (a) Lady Ivy WU is a holder of Consortium Offeror Concert Party Shares, a director of each of the Offeror, Holdco and Topco and a Consortium Member by virtue of being a shareholder of Topco. She is the spouse (hence close relative) of Sir Gordon WU, himself, a holder of Consortium Offeror Concert Party Shares, a director of each of the Offeror, Holdco and Topco and a Consortium Member by virtue of being a shareholder of Topco. She is therefore one of the Consortium Offeror Concert Parties;
- (b) Mr. Carmelo Ka Sze LEE is a partner of the legal advisers to the Company in relation to the Proposal; and
- (c) Mr. Guy WU is the nephew of Sir Gordon WU and Lady Ivy WU, a holder of Consortium Offeror Concert Party Shares and a Consortium Member by virtue of being a shareholder of Holdco upon the Scheme becoming effective. He is therefore one of the Consortium Offeror Concert Parties.

The Independent Financial Adviser will be appointed by the Board in due course to advise the Independent Board Committee on the Proposal. A further announcement will be made after the appointment of the Independent Financial Adviser.

The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal is fair and reasonable and in the interests of the Shareholders as a whole. The following persons are considered to be interested in the Proposal and have, therefore not participated in any vote of the Board in relation to the Proposal:

- (a) Sir Gordon WU and Lady Ivy WU, by virtue of them each being a holder of Consortium Offeror Concert Party Shares, a director of each of the Offeror, Holdco and Topco, a Consortium Member and the spouse (hence close relative) of each other;
- (b) Mr. Eddie HO, by virtue of being a holder of Consortium Offeror Concert Party Shares and a Consortium Member;
- (c) Mr. Thomas WU, by virtue of being the son (hence close relative) of Sir Gordon WU and Lady Ivy WU and a Non-Consortium Offeror Concert Party;
- (d) Mr. Guy WU, by virtue of being the nephew of Sir Gordon WU and Lady Ivy WU, a holder of Consortium Offeror Concert Party Shares and a Consortium Member; and
- (e) Mr. Carmelo Ka Sze LEE, by virtue of being a partner of the legal advisers to the Company in relation to the Proposal.

REASONS FOR AND BENEFITS OF THE PROPOSAL

In the paragraphs below, the unadjusted closing prices per Share on the Stock Exchange were obtained from Bloomberg. The Company paid a special cash interim dividend of HK\$2.00 per Share on 2 May 2018 to Shareholders registered as at the close of business on 20 April 2018 (the “Special Cash Interim Dividend”). The term “adjusting for the Special Cash Interim Dividend” mentioned below refers to subtracting from the unadjusted closing prices per Share the Special Cash Interim Dividend for historical closing prices prior to 18 April 2018, which may be different to the adjustment methods adopted by the Stock Exchange.

The Proposal represents an attractive opportunity to realise value at an attractive exit premium for the Scheme Shareholders.

The Offeror Board considers that the Proposal provides an attractive opportunity for the Scheme Shareholders to dispose of their Shares for all cash at a price significantly above the prevailing market price without having to suffer from any illiquidity discount and settlement risk.

- During the one-year period ended on and including the Last Trading Day, the lowest and highest unadjusted closing prices per Share on the Stock Exchange were HK\$24.00 and HK\$33.15, respectively, with a simple average closing price of approximately HK\$27.96. The Cancellation Price represents a premium of approximately 38.8% over the simple average unadjusted closing

price, and a premium of approximately 17.0% over the highest unadjusted closing price over the above period (and approximately 24.6% after adjusting for the Special Cash Interim Dividend for the closing prices prior to 18 April 2018).

- During the ten-year period ended on and including the Last Trading Day, the highest unadjusted closing price per Share was HK\$34.95 (on 15 February 2013), and the Cancellation Price represents a premium of approximately 11.0% to that, and a higher premium of approximately 17.8% after adjusting that for the Special Cash Interim Dividend. During the same ten-year period, there were only 63 trading days (8 trading days during January 2018, and 55 trading days between December 2012 and March 2013) where the unadjusted closing prices of Shares were above HK\$32.0 per share, and accordingly only 9 trading days in 2013 after adjusting for the Special Cash Interim Dividend.
- The liquidity of the Shares has been at a low level over a long period of time. During the one-year period ended on and including the Last Trading Day, liquidity in the Shares was restricted to an average daily trading volume of 729,219 Shares, representing approximately 0.08% of the total issued Shares, and approximately 0.13% of the Scheme Shares as at the date of this announcement. Given the continued low liquidity of the Shares, it is difficult for the Scheme Shareholders to execute on-market disposals efficiently without adversely affecting the market price of the Shares, and to dispose of a large number of Shares when any event that has an adverse impact on the price of the Shares occurs. The Proposal represents an option to the Scheme Shareholders to exit from their investment in the Company.
- The Group is investing substantial resources in its properties under development including the Hopewell Centre II development, the 153-167 Queen's Road East development, and the Hill Side Terrace Cluster development. These developments are in early-stage phase, require intensive multi-year capital investments, involve significant development and regulatory approval risks, and will only generate returns after a long development and stabilisation period. Some of these developments will potentially exhibit operating performance fluctuations for a period of time post completion before the property performances stabilise. The share price performance of the Shares could be disadvantaged in a volatile stock market before the long-term benefits of these developments are realised. Even if the Group successfully demonstrates the success of these developments, the public markets have historically not recognised such performances fairly as evidenced by the Shares' long-term trading discount to net asset value, which is to the disadvantage of the Shareholders. The stock market in Hong Kong has exhibited significant volatility lately amid escalating trade tension between China and the US and other unfavourable global and local macro-economic factors. The Hong Kong Hang Seng Index had fallen by approximately 11% year-to-date as of the Last Trading Day. The Proposal affords the Scheme Shareholders the opportunity to realise their investments in the Company after completion of the Proposal at an attractive fixed price despite increased market volatility and uncertainty.

INFORMATION ON THE OFFEROR GROUP

The Offeror is a company incorporated in Hong Kong with limited liability principally engaged in investment holding. Each of Holdco and Topco are limited companies incorporated in the British Virgin Islands principally engaged in investment holding. The Offeror, Holdco and Topco are special purpose vehicles set up for the implementation of the Proposal. As at the date of this announcement, the Offeror is wholly owned by Holdco, which is wholly owned by Topco, which in turn is 50% owned by each of Sir Gordon WU and Lady Ivy WU.

Prior to the Scheme becoming effective, new shares in Holdco will be issued in accordance with the Subscription Letters. Therefore, upon the Scheme becoming effective, Holdco will be 76.15% owned by Topco and 23.85% owned by Ms. June WU, Ms. Carol WU, Mr. David WU and Mr. Thomas MACFARLANE in their capacity as co-trustees of the Clyde & Helen WU Irrevocable Trust, Mr. Roger WU and Mr. Thomas MACFARLANE in their capacity as co-trustees of the Roger Man-Yuk WU Irrevocable Trust, Mr. David WU and Mr. Thomas MACFARLANE in their capacity as co-trustees of the David Man-Hay WU Irrevocable Trust, Mr. Guy WU and Mr. Eddie HO.

The table below sets out the shareholding structure of Holdco upon the Scheme becoming effective:

Shareholder	Approximate % of the issued share capital of Holdco
Topco	76.15
Ms. June WU	0.13
Ms. Carol WU	0.12
Mr. David WU and Mr. Thomas MACFARLANE as co-trustees of the Clyde & Helen WU Irrevocable Trust	4.36
Mr. Roger WU and Mr. Thomas MACFARLANE as co-trustees of the Roger Man-Yuk WU Irrevocable Trust	4.88
Mr. David WU and Mr. Thomas MACFARLANE as co-trustees of the David Man-Hay WU Irrevocable Trust	4.88
Mr. Guy WU	0.83
Mr. Eddie HO	8.65
Total	100.00

As at the date of this announcement, Sir Gordon WU is the chairman of the Board and an executive Director and is interested in 244,286,540 Shares (including deemed interests under the SFO), representing approximately 28.12% of the issued share capital of the Company. He has served as chairman of the Board since November 1996. He is also a director of various subsidiaries of the Company. He is the husband of Lady Ivy WU, the brother of the late Dr. Clyde WU, the father of Ms. June WU, Ms. Carol WU and Mr. Thomas WU and the uncle of Mr. Roger WU, Mr. David WU and Mr. Guy WU.

As at the date of this announcement, Lady Ivy WU is a non-executive Director and is interested in 244,286,540 Shares (including deemed interests under the SFO), representing approximately 28.12% of the issued share capital of the Company. She joined the Board in August 1991. She is the wife of Sir Gordon WU, the sister-in-law of the late Dr. Clyde WU, the mother of Ms. June WU, Ms. Carol WU and Mr. Thomas WU and the aunt of Mr. Roger WU, Mr. David WU and Mr. Guy WU.

Ms. June WU and Ms. Carol WU are the daughters of Sir Gordon WU and Lady Ivy WU, the sisters of Mr. Thomas WU, the nieces of the late Dr. Clyde WU and the cousins of Mr. Roger WU, Mr. David WU and Mr. Guy WU. As at the date of this announcement, Ms. June WU (through Ocean Perfect Limited) and Ms. Carol WU hold 420,000 and 400,000 Shares, representing approximately 0.05% and 0.05% of the issued share capital of the Company, respectively.

The late Dr. Clyde WU was the brother of Sir Gordon WU and the husband of the late Mrs. Helen WU. The Clyde & Helen WU Irrevocable Trust was initially granted by Sir Gordon WU to the late Dr. Clyde WU and the late Mrs. Helen WU as trustees for the benefit of the grandchildren and more remote issue of the late Dr. Clyde WU and the late Mrs. Helen WU and is currently administered by Mr. David WU and Mr. Thomas MACFARLANE as co-trustees. As at the date of this announcement, Mr. David WU and Mr. Thomas MACFARLANE in their capacity as co-trustees of the Clyde & Helen WU Irrevocable Trust hold 13,991,000 Shares, representing approximately 1.61% of the issued share capital of the Company.

Mr. Roger WU, Mr. David WU and Mr. Guy WU are the nephews of Sir Gordon WU and Lady Ivy WU and the cousins of Ms. June WU, Ms. Carol WU and Mr. Thomas WU. The Roger Man-Yuk WU Irrevocable Trust was initially granted by Sir Gordon WU to Mr. Roger WU and the late Dr. Clyde WU as trustees for the benefit of Mr. Roger WU and his issue and is currently administered by Mr. Roger WU and Mr. Thomas MACFARLANE as co-trustees. The David Man-Hay WU Irrevocable Trust was initially granted by Sir Gordon WU to Mr. David WU and the late Dr. Clyde WU as trustees for the benefit of Mr. David WU and his issue and is currently administered by Mr. David WU and Mr. Thomas MACFARLANE as co-trustees.

As at the date of this announcement, the Mr. Roger WU and Mr. Thomas MACFARLANE in their capacity as co-trustees of the Roger Man-Yuk WU Irrevocable Trust and Mr. David WU and Mr. Thomas MACFARLANE in their capacity as co-trustees of the David Man-Hay WU Irrevocable Trust hold 15,635,000 and 15,635,000 Shares, representing approximately 1.80% and 1.80% of the issued share capital of the Company, respectively, while Mr. Guy WU holds 2,645,650 Shares, representing 0.30% of the issued share capital of the Company. As at the date of this announcement, Mr. Guy WU is a non-executive Director.

Mr. Thomas MACFARLANE, the co-trustee of each of the Clyde & Helen WU Irrevocable Trust, the Roger Man-Yuk WU Irrevocable Trust and the David Man-Hay WU Irrevocable Trust, is not related to Sir Gordon WU and his family. As at the date of this announcement, Mr. Thomas MACFARLANE does not hold any Shares.

As at the date of this announcement, Mr. Eddie HO is the vice chairman of the Board and an executive Director and is interested in 27,761,500 Shares (including deemed

interests under the SFO), representing approximately 3.20% of the issued share capital of the Company. He has served as vice chairman of the Board since August 2003. He is also a director of various subsidiaries of the Company.

INFORMATION ON THE COMPANY

The Company is an investment holding company incorporated in Hong Kong with limited liability. The present principal activities of the Group are investments in power plants, property development and investment, property management, hotel ownership and management, restaurant operations and food catering.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee, or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror.

If the Proposal is recommended by the Independent Board Committee, and is recommended as fair and reasonable by the Independent Financial Adviser, the Company and the Offeror have agreed that all costs, charges and expenses of the

advisers and counsel appointed by the Company, including the Independent Financial Adviser, will be borne by the Company, whereas all costs, charges and expenses of the advisers and counsels appointed by the Offeror will be borne by the Offeror, and other costs, charges and expenses of the Scheme and Proposal will be shared between the Company and the Offeror equally.

OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Citigroup, the exclusive financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders.

TAXATION ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Citigroup or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal.

DESPATCH OF THE SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM.

DISCLOSURE OF DEALINGS

The respective associates (as defined in the Takeovers Code) of the Offeror and the Company, including shareholders holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of each of the foregoing, are hereby reminded to disclose their dealings in the relevant securities of the Company.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Monday, 3 December 2018 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 6 December 2018.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$38.80 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme
“Certain Funds Period”	from the date the new credit facilities are made available to the Offeror by Citibank, N.A., Hong Kong Branch and other lenders as selected by the mandated lead arranger and bookrunner in consultation with the Offeror until the earlier of: (i) the first date on which the Scheme is withdrawn or lapses in accordance with the terms of the Scheme and the Takeovers Code or is finally rejected by the High Court; (ii) the date on which the EGM is convened for the purposes of approving matters in relation to the Scheme but after a vote is held the requisite resolutions are not passed; (iii) the first date on which (A) the Offeror beneficially owning 63.07% issued shares of the Company and the register of members of the Company being updated to show the cancellation of Scheme Shares and (B) full payment of the total consideration payable by the Offeror in respect of the cancellation of the Scheme Shares has been dispatched in accordance with the Scheme; and (iv) the date falling six months after the date of the relevant facility agreement

“Citigroup”	Citigroup Global Markets Asia Limited (花旗環球金融亞洲有限公司), a company incorporated in Hong Kong with limited liability and licensed under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities, and the exclusive financial adviser to the Offeror in connection with the Proposal
“close relative(s)”	has the meaning ascribed to it in the Takeovers Code
“Clyde & Helen Irrevocable Trust”	WU a trust initially granted by Sir Gordon WU to the late Dr. Clyde WU and the late Mrs. Helen WU as trustees for the benefit of the grandchildren and more remote issue of the late Dr. Clyde WU and the late Mrs. Helen WU and is currently administered by Mr. David WU and Mr. Thomas MACFARLANE as co-trustees
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Hopewell Holdings Limited (合和實業有限公司), a company incorporated in Hong Kong with limited liability, the ordinary shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 54)
“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “ <i>Conditions of the Proposal</i> ” of this announcement
“Consortium Member”	a shareholder of (a) Topco as at the date of this announcement or (b) Holdco upon the Scheme becoming effective (as a result of the issue of new shares in Holdco in accordance with the Subscription Letters prior to the Scheme becoming effective)

“Consortium Offeror Concert Parties”	persons acting in concert with the Offeror under the Takeovers Code who are (or through their respective controlled companies are) Consortium Members, including (a) Sir Gordon WU, (b) Lady Ivy WU, (c) Ms. June WU, (d) Ms. Carol WU, (e) Mr. David WU and Mr. Thomas MACFARLANE as co-trustees of the Clyde & Helen WU Irrevocable Trust, (f) Mr. Roger WU and Mr. Thomas MACFARLANE as co-trustees of the Roger Man-Yuk WU Irrevocable Trust, (g) Mr. David WU and Mr. Thomas MACFARLANE as co-trustees of the David Man-Hay WU Irrevocable Trust, (h) Mr. Guy WU and (i) Mr. Eddie HO
“Consortium Offeror Concert Party Shares”	Shares in issue on the Record Date (unless otherwise specified) held or beneficially owned by the Consortium Offeror Concert Parties
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at which the Scheme will be voted upon
“David Man-Hay WU Irrevocable Trust”	a trust initially granted by Sir Gordon WU to Mr. David WU and the late Dr. Clyde WU as trustees for the benefit of Mr. David WU and his issue and is currently administered by Mr. David WU and Mr. Thomas MACFARLANE as co-trustees.
“Directors”	the directors of the Company
“Disinterested Shareholders”	Shareholders other than the Offeror and the Offeror Concert Parties
“Dr. Clyde WU”	Dr. Clyde Ying-Chau WU
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“EGM”	an extraordinary general meeting of the Company to be held after the Court Meeting for the purpose of approving the reduction of the share capital of the Company and implementing the Scheme
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdco”	Latour HK Co Ltd, a limited company incorporated in the British Virgin Islands, which, upon the Scheme becoming effective, will be 76.15% owned by Topco and the remaining 23.85% owned by the Clyde & Helen WU Irrevocable Trust, the Roger Man-Yuk WU Irrevocable Trust, the David Man-Hay WU Irrevocable Trust, Mr. Guy WU, Mr. Eddie HO, Ms. June WU and Ms. Carol WU (as a result of the issue of new shares in Holdco in accordance with the Subscription Letters prior to the Scheme becoming effective)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising Ms. Linda Lai Chuen LOKE, Mr. Sunny TAN, Dr. Gordon YEN, Mr. Ahito NAKAMURA and Mr. Yuk Keung IP, being all the independent non-executive Directors
“Independent Financial Adviser”	the independent financial adviser to the Company, which will be appointed
“Lady Ivy WU”	Lady WU Ivy Sau Ping KWOK
“Last Trading Date”	30 November 2018, being the last day on which Shares were traded on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	six months from the date of this announcement or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and/or the High Court may direct
“Mr. David WU”	Mr. David Man-Hay WU
“Mr. Eddie HO”	Mr. Eddie Ping Chang HO
“Mr. Guy WU”	Mr. Guy Man Guy WU
“Mr. Roger WU”	Mr. Roger Man-Yuk WU
“Mr. Thomas WU”	Mr. Thomas Jefferson WU
“Mrs. Helen WU”	Mrs. Helen Ching-Hung Tseng WU

“Ms. Carol WU”		Ms. Carol Ann WU
“Ms. June WU”		Ms. Kar Ming June WU
“Non-Consortium Concert Parties”	Offeror	persons presumed to be acting in concert with the Offeror under the Takeovers Code, including, (a) Mr. Thomas WU, being the son (and hence close relative) of Sir Gordon WU and Lady Ivy WU, (b) members of the Citigroup group (except those which have been granted exempt principal trader or exempt fund manager status for the purpose of the Takeovers Code), (c) Mr. KWOK Tse Wah, being the father (and hence close relative) of Lady Ivy WU and (d) Mr. Thomas KWOK being the sibling (and hence close relative) of Lady Ivy WU
“Offeror”		Petrus HK Co Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Holdco
“Offeror Board”		the board of directors of the Offeror
“Offeror Concert Parties”		all persons acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code, namely, the Consortium Offeror Concert Parties and the Non-Consortium Offeror Concert Parties
“Offeror Group”		the Offeror, Holdco and Topco
“Proposal”		the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement
“Record Date”		the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
“Registrar of Companies”		the Registrar of Companies appointed under the Companies Ordinance
“Roger Man-Yuk Irrevocable Trust”	WU	a trust initially granted by Sir Gordon WU to Mr. Roger WU and the late Dr. Clyde WU as trustees for the benefit of Mr. Roger WU and his issue and is currently administered by Mr. Roger WU and Mr. Thomas MACFARLANE as co-trustees
“Scheme”		the scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal

“Scheme Document”	the composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal together with the additional information specified in the section of this announcement headed “ <i>Despatch of the Scheme Document</i> ” above
“Scheme Shareholders”	the registered holders of the Scheme Shares
“Scheme Shares”	Shares in issue on the Record Date other than the Consortium Offeror Concert Party Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Sir Gordon WU”	Sir Gordon Ying Sheung WU
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Letters”	the applications dated 3 December 2018 by each of (a) Topco, (b) Ms. June WU, (c) Ms. Carol WU, (d) Mr. David WU and Mr. Thomas MACFARLANE as co-trustees of the Clyde & Helen WU Irrevocable Trust, (e) Mr. Roger WU and Mr. Thomas MACFARLANE as co-trustees of the Roger Man-Yuk WU Irrevocable Trust, (f) Mr. David WU and Mr. Thomas MACFARLANE as co-trustees of the David Man-Hay WU Irrevocable Trust, (g) Mr. Guy WU and (h) Mr. Eddie HO for new shares in Holdco at a par value of US\$1 per share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Topco”	Tiger HK Co Ltd, a limited company incorporated in the British Virgin Islands, which is 50% owned by each of Sir Gordon WU and Lady Ivy WU
“US” or “United States”	United States of America

By order of the board of directors of
PETRUS HK CO LIMITED

Sir Gordon Ying Sheung WU
Director

By order of the Board of
HOPEWELL HOLDINGS LIMITED

合和實業有限公司
Josiah Chin Lai KWOK
Deputy Managing Director

Hong Kong, 5 December 2018

As at the date of this announcement, the directors of each of the Offeror, Holdco and Topco are Sir Gordon Ying Sheung WU and Lady WU Ivy Sau Ping KWOK.

The directors of the Offeror, Holdco and Topco jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the Board comprises seven Executive Directors, namely Sir Gordon Ying Sheung WU (Chairman), Mr. Eddie Ping Chang HO (Vice Chairman), Mr. Thomas Jefferson WU (Deputy Chairman and Managing Director), Mr. Josiah Chin Lai KWOK (Deputy Managing Director), Mr. Albert Kam Yin YEUNG, Mr. William Wing Lam WONG and Ir. Dr. Leo Kwok Kee LEUNG, three Non-executive Directors, namely Lady WU Ivy Sau Ping KWOK, Mr. Carmelo Ka Sze LEE and Mr. Guy Man Guy WU and five Independent Non-executive Directors, namely Ms. Linda Lai Chuen LOKE, Mr. Sunny TAN, Dr. Gordon YEN, Mr. Ahito NAKAMURA and Mr. Yuk Keung IP.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Offeror, the Offeror Group and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror, the Offeror Group and the Offeror Concert Parties) have been arrived at after due and careful consideration and there are no other facts (other than facts in relation to the Offeror, the Offeror Group and the Offeror Concert Parties) not contained in this announcement the omission of which would make any statements in this announcement misleading.