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# WHARF

*Established 1886*

## **THE WHARF (HOLDINGS) LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 4)

### **DISCLOSEABLE TRANSACTIONS**

Through wholly-owned subsidiaries, the Company has disposed on the open stock market through a series of transactions since last August (i) 223,452 Amazon Shares at an average selling price of US\$1,975 (equivalent to HK\$15,421) per Amazon Share for aggregate net proceeds of approximately US\$441 million (equivalent to HK\$3,446 million) and (ii) 2,576,491 Facebook Shares at an average selling price of US\$195 (equivalent to HK\$1,529) per Facebook Share for aggregate net proceeds of approximately US\$503 million (equivalent to HK\$3,940 million).

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

#### **AMAZON SHARES DISPOSAL**

**Dates** : During the period from 5 August 2019 to 22 May 2020 (both days inclusive).

**Parties** : (1) Certain wholly-owned subsidiaries of the Company as the sellers; and

(2) Purchasers in the open stock market. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry (where practicable), the purchasers and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

- Assets disposed** : An aggregate of 223,452 Amazon Shares representing approximately 0.04% of all the outstanding common stocks of Amazon as at 22 April 2020 according to its Form 10-Q filed to The United States Securities and Exchange Commission.
- Consideration** : At an average selling price of US\$1,975 (equivalent to HK\$15,421) per Amazon Share representing the then market price of Amazon Shares traded in the open market at the relevant time at which the disposals were executed. The aggregate net proceeds US\$441 million (equivalent to HK\$3,446 million), exclusive of transaction costs, were settled in cash on the respective settlement dates.

As a result of the Amazon Shares Disposal, the Group realised an investment surplus of approximately US\$199 million (equivalent to HK\$1,545 million) in aggregate as calculated by the net proceeds less the carrying value of the Amazon Shares on each instance of disposal. The surplus was transferred to revenue reserves upon disposal and did not have any profit and loss impact to the Group. The carrying value attributable to the Amazon Shares was US\$242 million (equivalent to HK\$1,901 million).

### **Information on Amazon**

Amazon is a multinational conglomerate technology company, common stocks of which are listed on the Nasdaq Global Select Market. The principal business activities of Amazon include e-commerce, cloud computing, digital streaming and artificial intelligence.

Based on the consolidated financial statements of Amazon for the two financial years ended 31 December 2018 and 2019, the consolidated net profit before taxation and extraordinary items of Amazon for those two financial years were US\$11,261 million (equivalent to HK\$87,836 million) and US\$13,976 million (equivalent to HK\$109,013 million) respectively, and the consolidated net profits after taxation and extraordinary items and before minority interests of Amazon for those two financial years were approximately US\$10,073 million (equivalent to HK\$78,569 million) and US\$11,588 million (equivalent to HK\$90,386 million) respectively.

### **FACEBOOK SHARES DISPOSAL**

- Dates** : During the period from 5 August 2019 to 21 May 2020 (both days inclusive).
- Parties** : (1) Certain wholly-owned subsidiaries of the Company as the sellers; and
- (2) Purchasers in the open stock market. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry (where practicable), the purchasers and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

- Assets disposed** : An aggregate of 2,576,491 Facebook Shares representing approximately 0.09% of all the outstanding common stocks of Facebook as at 24 April 2020 according to its Form 10-Q filed to The United States Securities and Exchange Commission.
- Consideration** : At an average selling price of US\$195 (equivalent to HK\$1,529) per Facebook Share representing the then market price of Facebook Shares traded in the open market at the relevant time at which the disposals were executed. The aggregate net proceeds US\$503 million (equivalent to HK\$3,940 million), exclusive of transaction costs, were settled in cash on the respective settlement dates.

As a result of the Facebook Shares Disposal, the Group realised an investment surplus of approximately US\$50 million (equivalent to HK\$384 million) in aggregate as calculated by the net proceeds less the carrying value of the Facebook Shares on each instance of disposal. The surplus was transferred to revenue reserves upon disposal and did not have any profit and loss impact to the Group. The carrying value attributable to the Facebook Shares was US\$453 million (equivalent to HK\$3,556 million).

### **Information on Facebook**

Facebook is a multinational conglomerate technology company, common stocks of which are listed on the Nasdaq Stock Market LLC. The principal business activities of Facebook include on-line social media and social networking services.

Based on the consolidated financial statements of Facebook for the two financial years ended 31 December 2018 and 2019, the consolidated net profit before taxation and extraordinary items of Facebook for those two financial years were US\$25,361 million (equivalent to HK\$197,816 million) and US\$24,812 million (equivalent to HK\$193,534 million) respectively, and the consolidated net profits after taxation and extraordinary items and before minority interests of Facebook for those two financial years were approximately US\$22,111 million (equivalent to HK\$172,466 million) and US\$18,485 million (equivalent to HK\$144,183 million) respectively.

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

The Group has been holding a long term investment portfolio comprising *inter alia* listed securities of blue chip companies. The Board is of the view that stock market conditions in the past year presented an opportunity to capture the capital gains from its investment in Amazon Shares and Facebook Shares to further enhance the shareholders' value of the Company.

The Directors believe the terms of the Transactions, which were all conducted on the open stock market, 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 each of the Amazon Shares Disposal and Facebook Shares Disposal 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, each of the Amazon Shares Disposal and Facebook Shares Disposal 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 investment properties and development properties in Hong Kong and Mainland China, hotels ownership and management, and logistics.

## **DEFINITIONS**

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

“Amazon”	Amazon.com, Inc., a corporation incorporated in Delaware, the United States, the common stocks of which are listed on the Nasdaq Global Select Market (NASDAQ: AMZN).
“Amazon Shares”	223,452 common stocks of Amazon as disposed by the wholly-owned subsidiaries of the Group during the period from 5 August 2019 to 22 May 2020; and each of such Amazon Shares as “Amazon Share”
“Amazon Shares Disposal”	the disposal of Amazon Shares
“Board”	the board of Directors
“Company”	The Wharf (Holdings) Limited (stock code: 4), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	shall have the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Facebook”	Facebook, Inc., a corporation incorporated in Delaware, the United States, the common stocks of which are listed on the Nasdaq Stock Market LLC (NASDAQ: FB)
“Facebook Shares”	2,576,491 class A common stocks of Facebook as disposed by the wholly-owned subsidiaries of the Group during the period from 5 August 2019 to 21 May 2020; and each of such Facebook Shares as “Facebook Share”

“Facebook Shares Disposal”	the disposal of Facebook Shares
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Amazon Shares Disposal and the Facebook Shares Disposal collectively
“Group”	the Company and its subsidiaries

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

Hong Kong, 25 May 2020

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