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WHEELLOCK PROPERTIES

WHEELLOCK AND COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 20)

WHEELLOCK PROPERTIES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 49)

CONNECTED TRANSACTION

Sale of Property

The respective Boards of W&C and WPL wish to announce that Samover has agreed to sell and Lucky Ever has agreed to purchase certain units in the Property on the terms set out in the Letter which provides that, among other things, (a) Samover and Lucky Ever shall enter into the Agreement on or before 15 February 2008; and (b) the aggregate consideration shall be HK\$449.8 million (subject to adjustments based on the final gross floor area of the relevant units to be determined by Samover). The Letter constitutes a binding contract between Samover and Lucky Ever.

As Lucky Ever is indirectly wholly-owned by a trust of which Mr. Peter K. C. Woo, the chairman of both W&C and WPL, is the settlor, Lucky Ever is regarded as a Connected Person of each of W&C and WPL. As the consideration is more than 0.1% but less than 2.5% under the applicable Percentage Ratios, the Transaction constitutes a connected transaction for each of W&C and WPL that is exempt from the independent shareholders' approval requirement, but subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules.

1. THE LETTER

- Date of acceptance : 9 November 2007
by Lucky Ever
- Parties : Samover (as vendor)
Lucky Ever (as purchaser)
- Units to be sold : the premises located at 22nd to 23rd, and 25th to 31st Floors together with Flat Roofs attached to 29th and 30th Floors and Portion of the Main Roof of the building to be erected on the Property, representing a gross floor area of 224,915 square feet (the "**Units**")

Particulars of the Transaction

On 9 November 2007, Samover, a wholly-owned subsidiary of WPL, issued the Letter to Lucky Ever offering to sell the Units on the terms set out in the Letter, which was accepted by Lucky Ever on 9 November 2007. The Letter provides that, among other things, Samover and Lucky Ever shall enter into the Agreement on or before 15 February 2008. The Letter constitutes a binding contract between Samover and Lucky Ever.

The aggregate consideration for the Transaction is HK\$449.8 million (subject to adjustments based on the final gross floor area of the Units to be determined and confirmed by Samover after the issuance of Occupation Permit). Lucky Ever has paid to Samover HK\$22.5 million (representing 5% of the aggregate consideration) on 9 November 2007, being the date of acceptance of the Letter and shall settle the balance of the consideration in the following manner:

- (a) HK\$22.5 million (representing 5% of the aggregate consideration) on or before 15 February 2008; and
- (b) HK\$404.8 million (representing 90% of the aggregate consideration) on completion of the Agreement, which will take place in March 2010 or thereabout.

On completion of the Agreement, the Units will be owned by Lucky Ever.

Consideration for the Transaction

The Transaction was entered into in the ordinary and usual course of business of the WPL Group. Knight Frank Petty Limited ("**KFP**"), professional property consultants, was engaged to review the Letter, which contains terms and conditions including the aggregate consideration, taking into account prevailing market conditions. On the basis of the advice received from KFP, the directors (except Mr. K. C. Woo who abstained from participating in the approval of the Transaction due to conflict of interest), including the independent non-executive directors, of both W&C and WPL are of the view that the terms of the Letter and the Transaction are normal commercial terms with reference to the prevailing market conditions, are fair and reasonable and are in the interests of both W&C and WPL and their respective shareholders as a whole. Furthermore, the Letter was entered into on an arm's length and willing-buyer and willing-seller basis after due negotiation.

The Property was acquired by Samover in 2005 at a consideration of HK\$455 million for re-development into a high rise industrial building with a total gross floor area of approximately 737,200 sq. ft. for sale. The Property is currently under construction and is expected to be completed by the end of 2009. The book cost of the Property is HK\$512 million as at 31 October 2007. As at the date of this announcement, neither W&C nor WPL is able to ascertain the construction and incidental costs at this point in time. Hence, they cannot determine the amount of profit or loss that is expected to accrue.

2. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Property is under redevelopment for sale. The purchaser, Lucky Ever, is in the same group of companies as Lane Crawford, a reputable up-market department store operator based in Hong Kong. It is expected the presence of a Lane Crawford affiliate as an anchor owner of or occupier in the Property after completion of the development will enhance the image of the Property and will be beneficial to the future sale of other units in the Property to potential buyers, which will therefore be beneficial to both the W&C Group and the WPL Group.

3. GENERAL

The principal business activity of Samover is property development. The principal business activities of the W&C Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment while those of the WPL Group are ownership of properties for development and letting as well as investment holding. The principal business activity of Lucky Ever is property holding.

As Lucky Ever is indirectly wholly-owned by a trust of which Mr. Peter K. C. Woo, the chairman of both W&C and WPL, is the settlor, Lucky Ever is a Connected Person of each of W&C and WPL. As the consideration is more than 0.1% but less than 2.5% under the applicable Percentage Ratios, the Transaction constitutes a connected transaction for each of W&C and WPL that is exempt from the independent shareholders' approval requirement, but subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules.

As at the date of this announcement, the Board of W&C comprises Mr. Peter K. C. Woo, Mr. Gonzaga W. J. Li, Mr. Stephen T. H. Ng and Mr. Paul Y. C. Tsui, together with three independent non-executive directors, namely, Mr. Alexander S. K. Au, Mr. B. M. Chang and Mr. Kenneth W. S. Ting, and the Board of WPL comprises Mr. Peter K. C. Woo, Dr. Joseph M. K. Chow, Mr. Gonzaga W. J. Li, Mr. T. Y. Ng, Mr. Paul Y. C. Tsui and Mr. Ricky K. Y. Wong, together with three independent non-executive directors, namely, Mr. Herald L. F. Lau, Mr. David T. C. Lie-A-Cheong and Mr. Glenn S. Yee.

4. DEFINITIONS

"Agreement"	the formal sale and purchase agreement to be entered into between Samover as vendor and Lucky Ever as purchaser pursuant to the terms of the Letter
"Board(s)"	Board(s) of directors
"Connected Person"	shall have the meaning as ascribed to it under the Listing Rules
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Letter"	a legally binding letter dated 9 November 2007 issued by Samover which constitutes an offer to sell the Units and accepted by Lucky Ever also on 9 November 2007

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Lucky Ever"	Lucky Ever International Limited, a company incorporated under the laws of Hong Kong
"Percentage Ratios"	ascribed to it under Chapter 14 of the Listing Rules
"Property"	all that piece or parcel of ground registered in the Land Registry as Aberdeen Inland Lot No. 374 together with the messuages erections and buildings thereon now known as No. 2 Heung Yip Road
"Samover"	Samover Company Limited, a company incorporated under the laws of Hong Kong, which is a wholly-owned subsidiary of WPL
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transaction"	the sale of the Units pursuant to the terms of the Letter and the Agreement
"W&C"	Wheelock and Company Limited, a company incorporated under the laws of Hong Kong, whose shares are listed on the Stock Exchange
"W&C Group"	W&C and its subsidiaries
"WPL"	Wheelock Properties Limited, a company incorporated under the laws of Hong Kong, whose shares are listed on the Stock Exchange and is a subsidiary of W&C
"WPL Group"	WPL and its subsidiaries

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

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Hong Kong, 9 November 2007