
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional advisor.

If you have sold or otherwise transferred all your shares in WPL, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Company Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document.



WHEELOCK

Founded 1857

WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 20



WHEELOCK PROPERTIES

WHEELOCK PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 49

**PROPOSED PRIVATISATION OF WHEELOCK PROPERTIES LIMITED
BY WHEELOCK AND COMPANY LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 166 OF THE COMPANIES ORDINANCE)
AT THE CANCELLATION PRICE OF HK\$13.00 PER SCHEME SHARE**

Financial Advisor to Wheelock and Company Limited



**Independent Financial Advisor to the Independent Board Committee of
Wheelock Properties Limited**



A letter from the Board is set out on pages 10 to 16 of this Scheme Document. The Explanatory Statement is set out on pages 50 to 68 of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Independent Shareholders in relation to the Proposal is set out on page 17 of this Scheme Document. A letter from Somerley containing its advice to the Independent Board Committee in relation to the Proposal is set out on pages 18 to 49 of this Scheme Document. **The actions to be taken by the Independent Shareholders are set out on pages i to iii of this Scheme Document.**

Notices convening the Court Meeting and the EGM to be held at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively on Thursday, 24 June 2010 at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong are set out on pages 202 to 203 and 204 to 206 of this Scheme Document, respectively. **Whether or not you are able to attend any of the Meetings in person, if you are an Independent Shareholder, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and, if you are a Shareholder, the white form of proxy in respect of the EGM in accordance with the instructions printed respectively on them, and to deposit them at the office of the Registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any case not later than the respective times stated under the section headed "Actions to be Taken" set out on pages i to iii of this Scheme Document.**

This Scheme Document is issued jointly by WPL and Wheelock.

In case of inconsistency, the English language text of this Scheme Document shall prevail over the Chinese language text.

19 May 2010

ACTIONS TO BE TAKEN

ACTIONS TO BE TAKEN BY SHAREHOLDERS

A **pink** form of proxy in respect of the Court Meeting and a **white** form of proxy in respect of the EGM are enclosed with this Scheme Document.

Whether or not you are able to attend the Court Meeting and/or the EGM in person, if you are an Independent Shareholder, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly encouraged to complete and sign the enclosed white form of proxy in respect of the EGM, in accordance with the instructions printed respectively on them and deposit them, together with the power of attorney or other authority (if any), with the Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible, but in any case not later than the following respective times. In order to be valid, the pink form of proxy for use at the Court Meeting should be deposited with the Registrar not later than 10:00 a.m on Tuesday, 22 June 2010. In order to be valid, the white form of proxy for use at the EGM must be deposited with the Registrar not later than 10:30 a.m on Tuesday, 22 June 2010.

The completion and return of a form of proxy for each of the Court Meeting or the EGM will not preclude you from attending and voting in person at the Court Meeting or the EGM. In such event, the returned form of proxy will be deemed to have been revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of such Court Meeting and/or EGM. You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

If a Registered Owner or Beneficial Owner in Hong Kong has questions concerning administrative matters, such as dates, documentation and procedures relating to the Proposal, please call the Registrar of WPL, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong at (852) 2980 1333 (general line) between 9:00 a.m. and 6:00 p.m. Monday to Friday. This helpline cannot and will not provide advice on the merits of the Proposal or the Scheme or give financial or legal advice.

For the purpose of determining the entitlements of Independent Shareholders to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of WPL will be closed from Tuesday, 22 June 2010 to Thursday, 24 June 2010 (both days inclusive) and during such period no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant Share certificates must be lodged with Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 21 June 2010.

ACTIONS TO BE TAKEN

An announcement will be made by WPL in relation to the results of the Court Meeting and the EGM. If all the resolutions are passed at those meetings, further announcement(s) will be made in relation to the results of the hearing of the petition for the sanction of the Scheme by the High Court, the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange.

ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OR DEPOSITED IN CCASS

No person shall be recognised by WPL as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the EGM personally, you should contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and for such purpose the Registered Owner may appoint you as its proxy.

Alternatively, if you are a Beneficial Owner who wishes to attend the Court Meeting and/or the EGM personally, you may arrange for some or all of your Shares to be transferred into your own name.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of WPL.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the Court Meeting or the EGM. In such event, the returned form of proxy will be deemed to have been revoked.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are a person admitted to participate in CCASS as an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS participant regarding voting instructions to be given to such persons, or alternatively to arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name, if you wish to vote in respect of the Scheme. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with

ACTIONS TO BE TAKEN

respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

CONTENTS

	<i>Page</i>
ACTIONS TO BE TAKEN	i
DEFINITIONS	1
EXPECTED TIMETABLE	7
LETTER FROM THE BOARD	10
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	17
LETTER FROM SOMERLEY	18
EXPLANATORY STATEMENT	50
1. INTRODUCTION	50
2. SUMMARY OF THE PROPOSAL	50
3. CONDITIONS OF THE PROPOSAL AND THE SCHEME	51
4. REASONS FOR AND BENEFITS OF THE PROPOSAL AND THE SCHEME	54
5. FUTURE INTENTIONS OF WHEELOCK	56
6. COMPARISONS OF VALUE	56
7. SCHEME OF ARRANGEMENT UNDER SECTION 166 OF THE COMPANIES ORDINANCE AND THE COURT MEETING	58
8. ADDITIONAL REQUIREMENTS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE	59
9. BINDING EFFECT OF THE SCHEME	59
10. EFFECTS OF THE PROPOSAL ON THE SHAREHOLDING STRUCTURE OF WPL	60
11. INFORMATION ON WPL	60
12. INFORMATION ON WHEELOCK	60
13. SHARE CERTIFICATES, DEALINGS AND LISTING	61
14. REGISTRATION AND PAYMENT	61
15. OVERSEAS SHAREHOLDERS	62
16. TAXATION	63
17. COURT MEETING AND EGM	63
18. PROCEDURES FOR DEMANDING A POLL AT THE EGM	64
19. ACTIONS TO BE TAKEN	65
20. COSTS OF THE SCHEME	67
21. FURTHER INFORMATION	67
22. LANGUAGE	68
23. RECOMMENDATIONS	68
APPENDIX I – FINANCIAL INFORMATION ON THE WPL GROUP	69
APPENDIX II – PROPERTY VALUATION REPORT OF WPL	127
APPENDIX III – GENERAL INFORMATION	187
APPENDIX IV – DOCUMENTS AVAILABLE FOR INSPECTION	196
THE SCHEME	197
NOTICE OF COURT MEETING	202
NOTICE OF EGM	204

DEFINITIONS

In this Scheme Document, the following words and expressions shall have the following meanings, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement”	the announcement dated 27 April 2010 issued jointly by WPL and Wheelock relating to, amongst other things, the Proposal
“Announcement Date”	the date of the Announcement, being 27 April 2010
“Associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Beneficial Owner(s)”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Cancellation Price”	being HK\$13.00 per Scheme Share payable in cash in consideration for cancellation of each Scheme Share held by the Scheme Shareholders
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Commerce & Finance”	Commerce & Finance Law Offices, legal advisors to WPL as to PRC laws
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Condition(s)”	the condition(s) to which the Proposal is subject (or any of them), as set out on pages 51 to 54 of this Scheme Document
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Court Hearing”	the hearing of the petition by the High Court for the sanction of the Scheme and the confirmation of the capital reduction of WPL

DEFINITIONS

“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
“Court Orders”	the orders of the High Court confirming the sanction of the Scheme as required by section 166 of the Companies Ordinance and confirming the reduction of capital of WPL as required by section 60 of the Companies Ordinance
“Director(s)”	director(s) of WPL
“Effective Date”	the later of: (i) the date on which the Court Orders have been filed with the Registrar of Companies in Hong Kong (as required by section 166 and section 61 of the Companies Ordinance); and (ii) the date on which the Registrar of Companies in Hong Kong issues the relevant certificate of registration pursuant to section 61 of the Companies Ordinance
“EGM”	the extraordinary general meeting of WPL to be convened and to be held immediately following the Court Meeting, to consider the capital reduction in connection with the Scheme, among other things
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Explanatory Statement”	the explanatory statement set out on pages 50 to 68 of this Scheme Document issued in compliance with Section 166A of the Companies Ordinance
“Facility”	the term facility agreement between Wheelock and HSBC dated 21 April 2010
“GFA”	gross floor area
“High Court”	the High Court of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and a licensed bank under the Banking Ordinance, Chapter 155 of the Laws of Hong Kong
“Independent Board Committee”	the independent board committee of the Board (comprising Mr. Herald L. F. Lau, Mr. Roger K. H. Luk and Mr. Glenn S. Yee, being the three independent non-executive Directors), which has been established for the purpose of advising the Independent Shareholders in relation to the Proposal
“Independent Shareholders”	Shareholders other than the Wheelock Concert Group
“Investor Participant(s)”	person(s) admitted to participate in CCASS as investor participant(s)
“Knight Frank”	Knight Frank Petty Limited, the independent property valuer appointed by WPL
“KPMG”	KPMG, Certified Public Accountants
“Last Trading Date”	16 April 2010, being the last Trading Day of the Shares on the Stock Exchange prior to the suspension of trading in the Shares from 9:30 a.m. on 19 April 2010 pending the issue of the Announcement
“Latest Practicable Date”	14 May 2010, being the latest practicable date prior to the printing of this Scheme Document for the purposes of ascertaining certain information for inclusion in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meeting(s)”	the Court Meeting and the EGM or either of them, as the case may be
“Offer Period”	the period from the date of the announcement of WPL dated 19 April 2010 until the earlier of (i) the Effective Date; (ii) the date on which the Scheme lapses; or (iii) the date on which an announcement is made of the withdrawal of the Scheme

DEFINITIONS

“Other CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited Shares with, a CCASS participant
“PRC”	the People’s Republic of China excluding, for the purpose of this Scheme Document, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposal”	the proposal for the privatisation of WPL by Wheelock by way of the Scheme
“Registered Owner(s)”	any owner of the Shares (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the register of members of WPL
“Registrar”	Tricor Tengis Limited, the share registrar of WPL
“Relevant Authorities”	appropriate government and/or governmental bodies, regulatory bodies, courts or institutions (including the SFC and the Stock Exchange)
“Relevant Period”	the period commencing on the date falling six months prior to the commencement date of the Offer Period and ended on the Latest Practicable Date
“Scheme”	a scheme of arrangement between the Scheme Shareholders and WPL under Section 166 of the Companies Ordinance involving, inter alia, the cancellation of all the Scheme Shares
“Scheme Document”	this composite scheme document of WPL and Wheelock, containing, inter alia, each of the letters, statements, appendices and notices in it
“Scheme Record Date”	the last Business Day immediately preceding the Effective Date (currently expected to be 21 July 2010, or such other time and date as shall have been announced by WPL for determining entitlements under the Scheme)
“Scheme Shareholder(s)”	Shareholder(s) other than Wheelock and its wholly-owned subsidiaries that hold Shares
“Scheme Shares”	Shares held by the Scheme Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of WPL
“Sommerley”	Sommerley Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and the independent financial advisor to the Independent Board Committee and the Independent Shareholders in relation to the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trading Day”	a day on which the Stock Exchange is open for trading in securities
“Wheelock”	Wheelock and Company Limited (stock code: 20), a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of the Stock Exchange
“Wheelock Board”	the board of directors of Wheelock
“Wheelock Concert Group”	Wheelock and any person acting in concert with it
“Wheelock Director(s)”	director(s) of Wheelock
“Wheelock Group”	Wheelock and its subsidiaries, but for the purpose of this Scheme Document excluding the WPL Group
“WPL”	Wheelock Properties Limited (stock code: 49), a company incorporated in Hong Kong with limited liability with its Shares listed on the Main Board of the Stock Exchange
“WPL Group”	WPL and its subsidiaries
“WPSL”	Wheelock Properties (Singapore) Limited, a company incorporated in Singapore with limited liability with its shares listed on Singapore Exchange Limited
“WPSL Group”	WPSL and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore
“sq. ft.”	square feet
“sq. m”	square metre
“%”	per cent

EXPECTED TIMETABLE

Shareholders should note that the timetable, which is mainly dependent on the date of the Court Hearing, is subject to change and is indicative only. Further announcements will be made in the event that there is any change to the timetable.

Hong Kong time

Latest time for lodging transfers of Shares to qualify for entitlement to attend and vote at the Court Meeting and the EGM 4:30 p.m. on Monday, 21 June 2010

Register of members of WPL closed for determination of entitlements of Independent Shareholders to attend and vote at the Court Meeting and of Shareholders to attend and vote at the EGM (*Note 1*) Tuesday, 22 June 2010 to Thursday, 24 June 2010 (both days inclusive)

Latest time for lodging forms of proxy in respect of the:

Court Meeting (*Note 2*) 10:00 a.m. on Tuesday, 22 June 2010

EGM (*Note 2*) 10:30 a.m. on Tuesday, 22 June 2010

Suspension of dealings in Shares 9:30 a.m. on Thursday, 24 June 2010

Court Meeting 10:00 a.m. on Thursday, 24 June 2010

EGM (*Note 3*) 10:30 a.m. on Thursday, 24 June 2010
(or immediately after the conclusion or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting and EGM published on the websites of the Stock Exchange and WPL no later than 7:00 pm on Thursday, 24 June 2010

Resumption of dealings in Shares 9:30 a.m. on Friday, 25 June 2010

High Court hearing of the summons for directions in respect of the capital reduction Tuesday, 6 July 2010

Expected latest time for dealings in Shares on the Stock Exchange 4:00 p.m. on Monday, 12 July 2010

EXPECTED TIMETABLE

Hong Kong time

Latest time for lodging transfers of Scheme Shares to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 15 July 2010
Register of members of WPL closed for determining entitlements to qualify under the Scheme (<i>Note 4</i>)	Friday, 16 July 2010 to Wednesday, 21 July 2010 (both days inclusive)
Court Hearing of the petition for the sanction of the Scheme and the confirmation of the capital reduction of WPL (<i>Note 5</i>)	10:00 a.m. on Wednesday, 21 July 2010
Scheme Record Date	Wednesday, 21 July 2010
Announcement of (1) the results of the Court Hearing (2) the Effective Date and (3) the withdrawal of the listing of the Shares on the Stock Exchange	no later than 7:00 p.m. on Wednesday, 21 July 2010
Effective Date (<i>Note 6</i>)	Thursday, 22 July 2010
Expected withdrawal of the listing of the Shares on the Stock Exchange becomes effective (<i>Note 7</i>)	9:30 a.m. on Thursday, 22 July 2010
Cheques for cash payment under the Proposal to be despatched on or before	Friday, 30 July 2010

Notes:

1. The register of members of WPL will be closed during such period for the purpose of determining the entitlements of the Independent Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. This book close period is not for determining the entitlements of Scheme Shareholders under the Scheme.
2. Forms of proxy should be deposited at the office of the Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than the relevant times and dates stated above. Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Shareholder from attending the relevant Meeting and voting in person. In such event, the returned form of proxy will be deemed to have been revoked. **The Court Meeting and the EGM will both be held at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong on Thursday, 24 June 2010. Please see the notice of the Court Meeting set out on pages 202 to 203 and the notice of the EGM set out on pages 204 to 206 of this Scheme Document for details.**
3. The EGM will be held at the scheduled time as stated above or immediately after the conclusion of the Court Meeting or any adjournment of the Court Meeting.

EXPECTED TIMETABLE

4. The register of members of WPL will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
5. The Court Hearing will be held at the High Court at the High Court Building, 38 Queensway, Hong Kong.
6. The Scheme will become effective on the later of: (i) the date on which the Court Orders have been filed with the Registrar of Companies in Hong Kong (as required by section 166 and section 61 of the Companies Ordinance); and (ii) the date on which the Registrar of Companies in Hong Kong issues the relevant certificate of registration pursuant to section 61 of the Companies Ordinance. Scheme Shareholders should note the “Conditions of the Proposal and the Scheme” set out on pages 51 to 54 of this Scheme Document.
7. It is expected that the listing of the Shares on the Stock Exchange will be withdrawn on or before 9:30 a.m. on Thursday, 22 July 2010, being the Effective Date.

LETTER FROM THE BOARD



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

Directors:

Peter K. C. Woo, *GBS, JP (Chairman)*
Joseph M. K. Chow, *OBE, JP*
Herald L. F. Lau*
Roger K. H. Luk*, *BBS, JP*
T. Y. Ng
Paul Y. C. Tsui
Ricky K. Y. Wong
Glenn S. Yee*

Registered Office:

23rd Floor
Wheelock House
20 Pedder Street
Hong Kong

* *Independent non-executive Directors*

19 May 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED PRIVATISATION OF WHEELOCK PROPERTIES LIMITED
BY WHEELOCK AND COMPANY LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 166 OF THE COMPANIES ORDINANCE)
AT THE CANCELLATION PRICE OF HK\$13.00 PER SCHEME SHARE**

INTRODUCTION

On 27 April 2010, the boards of directors of Wheelock and WPL jointly announced that on 19 April 2010 Wheelock requested the Board to put forward the Proposal to Scheme Shareholders for consideration regarding a proposed privatisation of WPL by way of a scheme of arrangement under section 166 of the Companies Ordinance.

The Proposal involves the cancellation of all of the Scheme Shares on the Effective Date. Upon the Scheme becoming effective, WPL will become an indirect wholly-owned subsidiary of Wheelock and the listing of the Shares on the Stock Exchange will be withdrawn.

LETTER FROM THE BOARD

The Cancellation Price represents a premium of 143.90% over the closing price of the Shares of HK\$5.33 as quoted by the Stock Exchange on the Last Trading Date and a discount of approximately 3.35% to the audited consolidated net asset value per Share of approximately HK\$13.45 as at 31 December 2009.

The Directors have recommended for adoption at the annual general meeting of WPL to be held on 31 May 2010 the payment on 7 June 2010 to Shareholders whose names appear on the register of members of WPL on 31 May 2010 of a final dividend of HK\$0.08 per Share in respect of the financial year ended 31 December 2009.

Wheelock has appointed HSBC as its financial advisor in connection with the Proposal.

In compliance with Rule 2.1 of the Takeovers Code, the Board has established the Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Herald L. F. Lau, Mr. Roger K. H. Luk and Mr. Glenn S. Yee, to advise the Independent Shareholders in respect of the Proposal.

Somerley has been appointed with the approval of the Independent Board Committee as the independent financial advisor to advise the Independent Board Committee in respect of the Proposal.

The Independent Board Committee, having considered the terms of the Proposal and taken into account the advice of Somerley, considers that the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned and recommends the Independent Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting and the special resolution to approve and give effect to the Scheme at the EGM.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and, in particular, the Scheme, and to give you notices of the Court Meeting and the EGM and to inform you of the date and place of the Court Hearing. Your attention is also drawn to (i) the letter from the Independent Board Committee set out on page 17 of this Scheme Document; (ii) the letter from Somerley, the independent financial advisor to the Independent Board Committee set out on pages 18 to 49 of this Scheme Document; (iii) the Explanatory Statement set out on pages 50 to 68 of this Scheme Document; and (iv) the terms of the Scheme set out on pages 197 to 201 of this Scheme Document.

TERMS OF THE PROPOSAL

The Scheme

It is proposed that, subject to the fulfilment or waiver, as applicable, of the Conditions set out in the Explanatory Statement, the Proposal will be implemented by way of the Scheme pursuant to which the Scheme Shares will be cancelled and, in consideration thereof, each Scheme Shareholder whose name appears in the register of members of WPL at the Scheme Record Date will be entitled to receive HK\$13.00 in cash for each Scheme Share held.

LETTER FROM THE BOARD

Wheelock has advised that the Cancellation Price will not be revised in the course of the Scheme.

Under the Scheme, the share capital of WPL will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares and, immediately following such reduction, the share capital of WPL will be restored to its former amount by the allotment and issuance at par to Wheelock (or any of its wholly-owned subsidiaries) credited as fully paid of the same number of Shares as is equal to the Scheme Shares cancelled. The reserve created in WPL's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued to Wheelock.

Comparisons of value

The Cancellation Price represents:

- (i) a discount of approximately 3.35% to the audited consolidated net asset value per Share of approximately HK\$13.45 as at 31 December 2009;

Notes:

- (a) Scheme Shareholders' attention is drawn specifically to the property valuation report from Knight Frank, an independent property valuer, pursuant to Rule 11 of the Takeovers Code providing an updated valuation as at 31 March 2010 of the properties held under or held through subsidiaries, associates or jointly controlled entities of WPL, as set out on pages 127 to 186 of this Scheme Document and disclosure of the reconciliation of the valuation of interests in properties attributable to WPL and its property interests in its consolidated statements of financial position as at 31 December 2009 as set out in paragraph 6 headed "Property Interests and Property Valuation Report" in Appendix I headed "Financial Information on the WPL Group" to this Scheme Document.
 - (b) Scheme Shareholders should note that a significant portion of WPL's assets consisted of available-for-sale investments based on the audited financial statements of WPL as at 31 December 2009. Scheme Shareholders' attention is drawn specifically to paragraph 7 headed "Available-for-sale Investments" in Appendix I headed "Financial Information on the WPL Group" to this Scheme Document.
 - (c) WPL's net asset value extracted from its audited financial statements is a combination of assets held at historical cost and market value as at 31 December 2009.
 - (d) Scheme Shareholders' attention is also drawn specifically to paragraph 4 headed "Assets and reassessed net asset value" in the Letter from Somerley as set out on pages 34 to 38 of this Scheme Document, and in particular the reassessment by Somerley of the adjusted unaudited consolidated net asset value of the WPL Group based on the audited consolidated financial statements of WPL as at 31 December 2009 and the adjustments set out therein, by which Somerley estimates the Cancellation Price represents a discount of approximately 12.1% to its Reassessed NAV (as defined in the Letter from Somerley).
- (ii) a premium of approximately 143.90% over the closing price of the Shares of HK\$5.33 as quoted by the Stock Exchange on the Last Trading Date;
 - (iii) a premium of approximately 144.36% over the average closing price of the Shares of approximately HK\$5.32 as quoted by the Stock Exchange for the five full Trading Days up to and including the Last Trading Date;

LETTER FROM THE BOARD

- (iv) a premium of approximately 162.10% over the average closing price of the Shares of approximately HK\$4.96 as quoted by the Stock Exchange for the 30 full Trading Days up to and including the Last Trading Date;
- (v) a premium of approximately 162.10% over the average closing price of the Shares of approximately HK\$4.96 as quoted by the Stock Exchange for the 90 full Trading Days up to and including the Last Trading Date;
- (vi) a premium of approximately 170.27% over the average closing price of the Shares of approximately HK\$4.81 as quoted by the Stock Exchange for the one year period up to and including the Last Trading Date;
- (vii) a premium of approximately 3.34% over the average closing price of the Shares of HK\$12.58 as quoted by the Stock Exchange on the Latest Practicable Date;
- (viii) a premium of approximately 3.17% over the average closing price of the Shares of approximately HK\$12.60 as quoted by the Stock Exchange for the five full Trading Days up to and including the Latest Practicable Date;
- (ix) a premium of approximately 55.32% over the average closing price of the Shares of approximately HK\$8.37 as quoted by the Stock Exchange for the 30 full Trading Days up to and including the Latest Practicable Date;
- (x) a premium of approximately 114.88% over the average closing price of the Shares of approximately HK\$6.05 as quoted by the Stock Exchange for the 90 full Trading Days up to and including the Latest Practicable Date; and
- (xi) a premium of approximately 142.99% over the average closing price of the Shares of approximately HK\$5.35 as quoted by the Stock Exchange for the one year period up to and including the Latest Practicable Date.

Consideration and confirmation of financial resources

Under the Scheme, the total consideration payable for the Scheme Shares will be payable by Wheelock. The aggregate amount of cash to be payable by Wheelock for the cancellation of all Scheme Shares is HK\$6,904,805,024 which will be financed by the Facility. While the Wheelock Directors consider that Wheelock will be able to repay amounts that may be drawn under the Facility from the internal resources of Wheelock and/or by refinancing it, for flexibility in managing the financial position of Wheelock, it should be noted it is intended that Wheelock may use dividends to be distributed by WPL through to Wheelock to repay (or prepay before its maturity) part of the amounts that may be outstanding under or payable pursuant to the Facility.

HSBC, the financial advisor to Wheelock in connection with the Proposal, is satisfied that sufficient financial resources are available to Wheelock to implement the Proposal in accordance with its terms.

LETTER FROM THE BOARD

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme are subject to the satisfaction or waiver, as applicable, of the Conditions as set out in paragraph 3 headed “Conditions of the Proposal and the Scheme” in the Explanatory Statement on pages 51 to 54 of this Scheme Document.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before 31 October 2010 (or such later date as Wheelock and WPL may agree or as the High Court on the application of Wheelock or WPL may allow), otherwise the Proposal, including the Scheme, will lapse. If approved, the Scheme will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting.

Shareholders, shareholders of Wheelock and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, shareholders of Wheelock and potential investors are advised to exercise caution when dealing in the Shares or in securities of Wheelock, as appropriate. Persons who are in any doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional advisor.

REASONS FOR AND BENEFITS OF THE PROPOSAL

You are urged to read carefully paragraph 4 headed “Reasons for and benefits of the Proposal and the Scheme” in the Explanatory Statement on pages 54 to 56 of this Scheme Document.

FUTURE INTENTIONS OF WHEELOCK

Your attention is drawn to paragraph 5 headed “Future Intentions of Wheelock” in the Explanatory Statement on page 56 of this Scheme Document.

INFORMATION ON WPL AND WHEELOCK

Your attention is drawn to Appendix I headed “Financial Information on the WPL Group” on pages 69 to 126 of this Scheme Document and paragraph 11 headed “Information on WPL” in the Explanatory Statement on page 60 of this Scheme Document.

Your attention is also drawn to paragraph 12 headed “Information on Wheelock” in the Explanatory Statement on pages 60 to 61 of this Scheme Document.

OVERSEAS SHAREHOLDERS

Overseas Shareholders are requested to read specifically paragraph 15 headed “Overseas Shareholders” in the Explanatory Statement on pages 62 and 63 of this Scheme Document.

LETTER FROM THE BOARD

COURT MEETING AND EGM

Notices convening the Court Meeting and the EGM to be held at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong on Thursday, 24 June 2010 at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively are set out on pages 202 to 203 and 204 to 206 of this Scheme Document. A pink form of proxy for the Court Meeting is enclosed with copies of this Scheme Document sent to the Registered Owners of the Shares. A white form of proxy for the EGM is enclosed with copies of this Scheme Document sent to Registered Owners of the Shares.

The High Court has directed that the Court Meeting be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme, with or without modification. The Scheme will be subject to the approval by the Independent Shareholders at the Court Meeting in the manner referred to in paragraph 3 headed “Conditions of the Proposal and the Scheme” in the Explanatory Statement on pages 51 to 54 of this Scheme Document.

Immediately following the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing a special resolution to consider the capital reduction in connection with the Scheme, among other things. All Shareholders will be entitled to attend and vote on such special resolution at the EGM.

ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal are set out in the earlier section headed “Actions to be Taken” on pages i to iii and paragraph 19 headed “Actions to be Taken” in the Explanatory Statement on pages 65 to 67 of this Scheme Document.

RECOMMENDATION

Your attention is drawn to the recommendation of Somerley, the independent financial advisor to the Independent Board Committee, in respect of the Proposal as set out in the letter from Somerley on pages 18 to 49 of this Scheme Document. Your attention is also drawn to the recommendation of the Independent Board Committee in respect of the Proposal as set out in the letter from the Independent Board Committee on page 17 of this Scheme Document.

SHARE CERTIFICATES, DEALINGS, LISTING, REGISTRATION AND PAYMENT

Your attention is drawn to paragraph 13 headed “Share Certificates, Dealings and Listing” and paragraph 14 headed “Registration and Payment” in the Explanatory Statement set out on pages 61 to 62 of this Scheme Document.

LETTER FROM THE BOARD

TAXATION, EFFECTS AND LIABILITIES

It is emphasised that none of Wheelock, WPL, HSBC, Somerley nor any of their respective directors, officers, employees, agents or affiliates or any persons involved in the Proposal and the Scheme accept responsibility for any tax or other effects on, or liabilities of, any person or persons as a result of the implementation or otherwise of the Proposal and the Scheme. Accordingly, you are urged to read paragraph 16 headed "Taxation" in the Explanatory Statement set out on page 63 of this Scheme Document and if you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult an appropriately qualified professional advisor.

FURTHER INFORMATION

You are urged to read carefully (1) the letter from the Independent Board Committee set out on page 17 of this Scheme Document, (2) the letter from Somerley, the independent financial advisor to the Independent Board Committee set out on pages 18 to 49 of this Scheme Document, (3) the Explanatory Statement in relation to the Scheme set out on pages 50 to 196 of this Scheme Document and the Appendices thereto, (4) the Scheme set out on pages 197 to 201 of this Scheme Document, (5) the notice of Court Meeting set out on pages 202 to 203 of this Scheme Document and (6) the notice of EGM set out on pages 204 to 206 of this Scheme Document.

In addition, a pink form of proxy for use by Independent Shareholders for the Court Meeting and a white form of proxy for use by all Shareholders for the EGM are enclosed with copies of this Scheme Document sent to the Registered Owners of the Shares.

Yours faithfully,
For and on behalf of the Board of
Wheelock Properties Limited
Peter K. C. Woo
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

19 May 2010

To the Independent Shareholders

Dear Sir and Madam,

**PROPOSED PRIVATISATION OF WHEELOCK PROPERTIES LIMITED
BY WHEELOCK AND COMPANY LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 166 OF THE COMPANIES ORDINANCE)
AT THE CANCELLATION PRICE OF HK\$13.00 PER SCHEME SHARE**

We refer to the scheme document of even date jointly issued by WPL and Wheelock in relation to the Proposal (the “**Scheme Document**”), of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the Proposal. Somerley has been appointed with our approval as our independent financial advisor in respect of the Proposal. Details of the advice from Somerley which sets out the factors and reasons taken into account in arriving at its recommendations are set out in the letter from Somerley on pages 18 to 49 of the Scheme Document.

Having considered the terms of the Proposal and having taken into account the advice from Somerley, in particular the factors, reasons and recommendations as set out in the letter from Somerley, we are of the opinion that the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned. We therefore recommend the Independent Shareholders to vote in favour of both the resolution to approve the Scheme at the Court Meeting and the special resolution to approve the capital reduction arising as a result of the Scheme at the EGM.

The Independent Board Committee draws the attention of the Independent Shareholders to (1) the letter from the Board set out on pages 10 to 16 of the Scheme Document, (2) the Explanatory Statement set out on pages 50 to 196 of the Scheme Document and Appendices thereto, and (3) the letter from Somerley, the independent financial advisor to the Independent Board Committee, which set out the factors and reasons taken into account in arriving at its recommendations to the Independent Board Committee set out on pages 18 to 49 of the Scheme Document.

Yours faithfully,
Independent Board Committee

Mr. Herald L. F. Lau
*Independent non-executive
Director*

Mr. Roger K. H. Luk
*Independent non-executive
Director*

Mr. Glenn S. Yee
*Independent non-executive
Director*

LETTER FROM SOMERLEY

The following is the letter of advice from the independent financial advisor, Somerley Limited, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this Scheme Document.



SOMERLEY LIMITED

10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

19 May 2010

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

**PROPOSED PRIVATISATION OF WHEELLOCK PROPERTIES LIMITED
BY WHEELLOCK AND COMPANY LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 166 OF THE COMPANIES ORDINANCE)
AT THE CANCELLATION PRICE OF HK\$13.00 PER SCHEME SHARE**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed privatisation of WPL by way of a scheme of arrangement under section 166 of the Companies Ordinance involving, inter alia, the cancellation of all Scheme Shares held by the Scheme Shareholders. Details of the Proposal are contained in the document to the Shareholders dated 19 May 2010 (the "Scheme Document") of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document.

The Board has established the Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Herald L. F. Lau, Mr. Roger K. H. Luk and Mr. Glenn S. Yee, to advise the Independent Shareholders in respect of the Proposal. We have been appointed as independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in this regard.

Somerley has acted, and continues to act, as financial advisor to a company which has become a subsidiary of a joint venture partner of Wheelock. Both Wheelock and that joint venture partner operate independently of each other. In addition, the total assets of the relevant Wheelock group company in which that joint venture partner has interests accounted for less than 1% of the total assets of Wheelock together with its subsidiaries as at 31 December 2009, and are therefore considered insignificant in the context of Wheelock together with its subsidiaries. In these circumstances, our role in acting for the group of that joint venture partner does not, in our view, amount to a significant connection

LETTER FROM SOMERLEY

(as referred to in Rule 2.6 of the Takeovers Code) for us of a kind reasonably likely to create, or to create the perception of, a conflict of interest for us or which is reasonably likely to affect the objectivity of our advice.

Save as disclosed above, Somerley is not associated with Wheelock or WPL or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice on the Proposal. Apart from normal professional fees payable to us in connection with this appointment, and except as disclosed above, no arrangement exists whereby we will receive any fees or benefits from Wheelock or WPL or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of WPL, which we have assumed to be true, accurate and complete. We have reviewed the published information on WPL, including its audited financial statements for the period from 1 April 2007 to 31 December 2007, and the two years ended 31 December 2008 and 2009. We have discussed with Knight Frank the bases and assumptions for their valuation as at 31 March 2010 of the property interests of the WPL Group together with the property interests held under or held through subsidiaries, associates or jointly controlled entities of WPL, which are contained in Appendix II to the Scheme Document. We have reviewed the trading performance of the Shares on the Stock Exchange. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information which we have received is sufficient for us to reach our opinion and advice as set out in this letter and to justify our reliance on such information. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the WPL Group. We have also assumed that all representations contained or referred to in the Scheme Document were true at the time they were made and at the date of the Scheme Document and will continue to be true up to the time of the Court Meeting.

TERMS OF THE PROPOSAL

In summary, the Proposal involves the following principal steps:

- (i) all the Scheme Shares held by the Scheme Shareholders will be cancelled and, in consideration thereof, the Scheme Shareholders will receive from Wheelock HK\$13.00 in cash for every Scheme Share held; and
- (ii) the issued share capital of WPL will be reduced by cancelling and extinguishing the Scheme Shares and, immediately following such reduction, the share capital of WPL will be restored to its former amount by the allotment and issuance at par to Wheelock (or any of its wholly-owned subsidiaries) credited as fully paid of the same number of Shares as is equal to the Scheme Shares cancelled. WPL will become a wholly-owned subsidiary of Wheelock and the listing of the Shares on the Stock Exchange will be withdrawn.

LETTER FROM SOMERLEY

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

- (i) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (a) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Shareholders. The Independent Shareholders held 526,625,014 Shares as at the Latest Practicable Date and 10% of such shares amounted to 52,662,501 Shares;
- (ii) the passing of a special resolution by a majority of at least three-fourths of the votes cast by the Shareholders present and voting, in person or by proxy, at the EGM to approve and give effect to the cancellation of the Scheme Shares, the reduction of the issued share capital of WPL and immediately thereafter the application of the reserve arising in the books of account of WPL as a result of the said reduction towards paying up in full new Shares which will then be allotted and issued to Wheelock (or any of its wholly-owned subsidiaries) so that the number of new Shares issued would be equal to the number of Scheme Shares cancelled; and
- (iii) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of WPL by the High Court under sections 166 and 60, respectively, of the Companies Ordinance.

Further details of the Conditions are set out in the paragraph headed “Conditions of the Proposal and the Scheme” in the Explanatory Statement included in the Scheme Document.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before 31 October 2010 (or such later date as Wheelock and WPL may agree or as the High Court on application of Wheelock or WPL may allow), failing which the Scheme will lapse. Details of the timetable are set out in the section headed “Expected timetable” contained in the Scheme Document.

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

LETTER FROM SOMERLEY

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation with regard to the Proposal, we have taken into account the following principal factors and reasons:

1. Reasons for and background to the Proposal

The reasons for and benefits of the Proposal are set out in the Explanatory Statement included in the Scheme Document.

The WPL Group is principally engaged in ownership of properties for development and letting as well as investment holding. As set out in the Explanatory Statement of the Scheme Document, the Shares have been trading at a discount to WPL's underlying consolidated net asset value and the trading volume of the Shares has been thin. It is further set out in the Explanatory Statement that during the 12-month period ended on and including the Announcement Date, the Shares have been traded within the range of HK\$3.01 and HK\$5.76 per Share with a simple average closing price of HK\$4.81 per Share. The Cancellation Price represents a substantial premium of approximately 170.27% over such simple average price. As disclosed in the Explanatory Statement, over the three-year period ended on the Announcement Date, the Shares have been traded within the range of HK\$1.90 and HK\$10.02 per Share, with a simple average closing price of HK\$5.89 per Share. The Cancellation Price represents a premium of approximately 120.71% over such simple average closing price. Furthermore, the Cancellation Price represents a premium of approximately 143.90% over the closing price of the Shares of HK\$5.33 as quoted by the Stock Exchange on the Last Trading Date. Such closing price represented a discount of approximately 60.37% to the audited consolidated net asset value per Share of approximately HK\$13.45 as at 31 December 2009. By contrast, the Cancellation Price represents a discount of approximately 3.35% to such net asset value per Share.

The average daily turnover of the Shares on the Stock Exchange over the three-year period ended on and including the Announcement Date as disclosed in the Explanatory Statement was HK\$1,321,518 or 233,022 Shares, which represents only approximately 0.044% of the number of Scheme Shares.

Accordingly, the Directors consider that the Proposal provides an opportunity for the Scheme Shareholders to dispose of their Shares and receive cash at a significant premium over the prevailing market price. Due to the low liquidity of the Shares and the significant discount to the net asset value per Share of its trading price on the Stock Exchange, the Directors consider that the public equity capital market does not provide WPL a viable funding alternative. In addition, the listing of the Shares on the Stock Exchange requires WPL to bear administrative costs and other ongoing listing expenses notwithstanding that it has not raised any money from the public equity capital market for over 35 years. If these costs and expenses are eliminated, the funds saved could be used for the business operations of WPL.

Our analysis on the market price and trading volume of the Shares is set out below in the paragraph headed "Share price and trading volume".

LETTER FROM SOMERLEY

If the Scheme becomes effective, WPL will, subject to the approval of the Stock Exchange, withdraw the listing of the Shares on the Stock Exchange. However, in the event that the Scheme is not approved or lapses or does not become unconditional for any reason, WPL will maintain the listing of the Shares on the Stock Exchange.

2. Past results of the WPL Group

A summary of the audited consolidated results of the WPL Group for the period from 1 April 2007 to 31 December 2007 and the two years ended 31 December 2008 and 2009 is set out in Appendix I.

The following table sets out the turnover, profitability and dividends of the WPL Group for the period from 1 April 2007 to 31 December 2007 and the two years ended 31 December 2008 and 2009:

	Audited		
	For the period from	For the year ended	
	1 April 2007 to	31 December	
	31 December	2008	2009
	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Turnover			
Property development	170	5,614	568
Property investment	244	384	421
Investment and others	426	271	212
	<u>840</u>	<u>6,269</u>	<u>1,201</u>
Operating profit			
Property development	33	1,323	235
Property investment	168	269	328
Investment and others	287	236	187
Corporate expenses	(14)	(61)	(59)
	474	1,767	691
Profit on disposal of investment properties	–	–	126
Increase in fair value of investment properties	1,446	527	818
Other net income/(loss)	123	(73)	91
Net other charge	–	(1,105)	(124)
	2,043	1,116	1,602
Finance costs	(16)	(12)	(3)
Share of results after tax of associates	96	(71)	90

LETTER FROM SOMERLEY

	Audited		
	For the period from	For the year ended	
	1 April 2007 to	31 December	
	31 December	2008	2009
	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>million</i>	<i>million</i>	<i>million</i>
Profit before taxation	2,123	1,033	1,689
Income tax	<u>(329)</u>	<u>(27)</u>	<u>(50)</u>
Profit for the year	<u>1,794</u>	<u>1,006</u>	<u>1,639</u>
Profit attributable to Shareholders	1,540	816	1,458
Minority interests	<u>254</u>	<u>190</u>	<u>181</u>
	<u>1,794</u>	<u>1,006</u>	<u>1,639</u>
<i>Dividends</i>			
Interim dividend declared and paid	41	41	41
Final dividend proposed after the reporting date	<u>166</u>	<u>166</u>	<u>166</u>
	<u>207</u>	<u>207</u>	<u>207</u>

(i) Turnover and profitability

As shown in the above table, the turnover of the WPL Group comprises revenues generated from (a) property development; (b) property investment; and (c) investment and others. Set out below is a brief review of the performance of each segment during the above period.

(a) Property development

The property development segment accounted for approximately 20.2%, 89.6%, and 47.3% of the total turnover of the WPL Group for the period from 1 April 2007 to 31 December 2007, and the two years ended 31 December 2008 and 2009 respectively. Turnover from property development in 2008 increased significantly to HK\$5,614 million from HK\$170 million in the period of 2007 primarily due to higher property sales revenue recognised upon the completion of two projects in Singapore. For the year ended 31 December 2009, revenue contributed by the property development segment decreased to HK\$568 million after large sales in 2008 and in the absence of major completion for sales recognised in 2009. Revenue in 2009 was primarily derived from sales of a local luxury property and miscellaneous remaining property stock in Hong Kong.

LETTER FROM SOMERLEY

(b) Property investment

The property investment segment accounted for approximately 29.0%, 6.1% and 35.1% of the total turnover of the WPL Group for the period from 1 April 2007 to 31 December 2007, and the two years ended 31 December 2008 and 2009 respectively. Revenue from the property investment segment increased by approximately 57.4% from HK\$244 million in the period of 2007 to HK\$384 million in 2008 due to higher rental rates achieved by the WPL Group's investment properties. Revenue from this segment continued to increase by approximately 9.6% in 2009.

(c) Investment and others

Investment revenue accounted for approximately 50.7%, 4.3% and 17.7% of the total turnover of the WPL Group for the period from 1 April 2007 to 31 December 2007, and the two years ended 31 December 2008 and 2009 respectively. This segment mainly comprised dividend income from the WPL Group's long term investment portfolio and interest income. Investment revenue in 2008 dropped by approximately 36.4% from HK\$426 million in the period of 2007 compared to HK\$271 million in 2008. Such decrease was mainly due to a non-recurrent special dividend received by WPL's Singaporean subsidiary. Revenue from investment decreased by approximately 21.8% to HK\$212 million primarily due to the decline in dividend and interest income.

(ii) Operating profit

The WPL Group's operating profit increased by approximately 273.0% from HK\$474 million in the period of 2007 to HK\$1,767 million in 2008. This was attributable to higher property sales revenue recorded by the property development segment and higher rental revenue growth in the property investment segment, whereas the investment segment recorded a decline in revenue. In 2009, operating profit of the WPL Group decreased to HK\$691 million partly due to the absence of major property completion for sale recorded in 2009.

(iii) Finance costs

The WPL Group incurred finance costs of HK\$16 million, HK\$12 million and HK\$3 million for the period from 1 April 2007 to 31 December 2007, and the two years ended 31 December 2008 and 2009 respectively. Such finance costs were incurred by WPL's Singaporean subsidiary after capitalisation of interest of HK\$35 million in 2008 and HK\$21 million in 2009 with respect to its properties under development.

(iv) Other net income/(loss)

The WPL Group recorded other net income of HK\$91 million for the year ended 31 December 2009, which mainly comprised profit on disposal of available-for-sale investments of HK\$72 million and a net realised and unrealised exchange gain of HK\$19 million arising from forward exchange contracts. For the year ended 31 December 2008, other net loss of HK\$73 million comprised primarily exchange losses

LETTER FROM SOMERLEY

of HK\$96 million in relation to forward exchange contracts. For the period ended 31 December 2007, other net income of HK\$123 million was recorded, mainly attributable to profit on disposal of available-for-sale investments.

(v) Net other charge

A net other charge of HK\$1,105 million was recorded in 2008, comprising impairment loss incurred by WPL's Singaporean subsidiary with respect to its investments, details of which are set out in the paragraph headed "Assets and reassessed net asset value" of this letter. The net other charge of HK\$124 million incurred in 2009 represented a further impairment provision made in this regard. No impairment loss was incurred in the period of 2007.

(vi) Share of results after tax of associates

The WPL Group's share of profits amounted to \$96 million in the period of 2007, while a share of losses of associates of HK\$71 million was recorded in 2008. This included the WPL Group's share of impairment provision of HK\$103 million made by an associate for a China project. The WPL Group recorded a share of profit of associates of HK\$90 million in 2009, mainly derived from sales of property units in Foshan undertaken by associates.

(vii) Profit attributable to Shareholders

The WPL Group's profit attributable to Shareholders decreased by approximately 47.0% from HK\$1,540 million for the period from 1 April 2007 to 31 December 2007 to HK\$816 million for the year ended 31 December 2008. Despite a significant increase in operating profit in 2008, this was outweighed by impairment losses primarily on investments and a decrease in net investment property revaluation surplus. For the year ended 31 December 2009, the WPL Group's profit attributable to Shareholders increased by approximately 78.7% to HK\$1,458 million.

(viii) Dividend paid to Shareholders

Total dividend paid to Shareholders was HK10.0 cents per Share for the period from 1 April 2007 to 31 December 2007, and for each of the years ended 31 December 2008 and 2009.

3. Properties of the WPL Group

(a) Completed investment properties

The completed investment properties held by the WPL Group comprise two property interests in Hong Kong and one property interest in Singapore with a total market value in existing state attributable to the WPL Group of approximately HK\$2,853.8 million and HK\$3,346.6 million respectively as at 31 March 2010 as valued by Knight Frank, the valuation report of which is set out in Appendix II to the Scheme Document.

LETTER FROM SOMERLEY

The investment properties in Hong Kong mainly represent WPL's interest in 3rd to 24th Floors of Wheelock House located in Central with the market value in existing state attributable to the WPL Group of approximately HK\$2,845.0 million as at 31 March 2010. Wheelock House is a 25-storey (including a basement) commercial/office building completed in 1984. The majority of the property is let under various tenancies mostly for terms of two or three years. The occupancy rate as at 31 March 2010 was over 95%.

The investment property in Singapore relates to WPL Group's interest in all units within the building of Wheelock Place. Wheelock Place is a 21-storey retail-cum-office development comprising two basements, a 5-storey shopping-cum-office podium and a 16-storey office tower block. The development was completed in the mid 1990s. Both the office tower block and the retail podium were almost fully tenanted with one vacant unit in each portion as at 31 March 2010.

(b) Properties held for sale

Properties held for sale include various industrial units, residential units and parking spaces in Hong Kong with a total market value in existing state attributable to the WPL Group of approximately HK\$375.5 million as at 31 March 2010 as valued by Knight Frank.

These property interests mainly represent (1) various portions (industrial units, clubhouse on the roof and parking spaces) in World Tech Centre located in Kwun Tong; and (2) eight residential units and five car parking spaces of The Babington located in Mid-Levels West with a total market value in existing state attributable to the WPL Group of approximately HK\$115.0 million and HK\$192.0 million respectively as at 31 March 2010.

As at 31 March 2010, the industrial units in World Tech Centre were let under coterminous leases of three years expiring in August 2011 while the car parking spaces were let on an hourly or monthly basis.

The Babington is a 30-storey residential development with associated recreational and car parking facilities completed in 2010. WPL Group holds two duplex units, a garden unit and five apartments with a total gross area of approximately 1,091.79 sq.m. and five car parking spaces. They were all vacant as at 31 March 2010.

As advised by WPL, all properties held for sale are destined for sale and will be put in the market for sale from time to time depending on the market conditions.

LETTER FROM SOMERLEY

(c) Properties held under development

A total market value in existing state attributable to the WPL Group of approximately HK\$10,495.9 million as at 31 March 2010 was assessed by Knight Frank in respect of properties held under development which are summarised as below:

(1) 2 Heung Yip Road, Wong Chuk Hang, Hong Kong

The property is proposed to be developed into a 28-storey (excluding a refuge floor) commercial building accommodating commercial units on the ground floor, office units on upper floors and a number of car parking spaces. The property is under construction. Upon completion, the development is expected to provide a total gross floor area (excluding car parking spaces) of approximately 68,487.38 sq.m. The proposed development is scheduled to be completed in about October 2010. The estimated total construction cost to complete the proposed development was approximately HK\$587.0 million (excluding professional fees of approximately HK\$23.0 million) and the construction cost already expended was approximately HK\$385.3 million (excluding professional fees of approximately HK\$19.1 million) as at 31 March 2010.

As advised by WPL, 20,895.11 sq.m. of the office area has been sold to a related party of the WPL Group at a consideration of HK\$449.8 million, subject to adjustment on determination of the final area, which has been formally announced as a connected transaction. Revenue is expected to be recorded in 2010 following development completion. The remaining units are expected to be put in the market for sale in late 2010 or in 2011.

The market value in existing state attributable to the WPL Group of the property was approximately HK\$1,700.0 million as at 31 March 2010.

(2) Nos 211, 211A, 211B, 211C, 213, 213A, 215, 215A, 215B and 215C Prince Edward Road West, Kowloon, Hong Kong

The property is undergoing foundation works and is proposed to be developed into a private residential development with associated car parking spaces. As advised by WPL, the proposed gross floor area of the completed development on the property is approximately 8,517.57 sq.m. and lease modification in releasing the development control under lease is under processing, which is subject to land premium. The development is expected to be completed around September 2012. The estimated total construction cost to complete the proposed development was approximately HK\$238.4 million (excluding professional fees of approximately HK\$8.7 million) and the construction cost already expended was approximately HK\$12.6 million (excluding professional fees of approximately HK\$4.4 million) as at 31 March 2010. The market value in existing state attributable to the WPL Group was approximately HK\$401.0 million as at 31 March 2010.

LETTER FROM SOMERLEY

(3) Lots Nos 1140K, 1511N and 1512X TS 25 at Ardmore Park, Ardmore II, Singapore

Ardmore II is in the final stage of construction and is a proposed condominium development planned on a site with a total site area of approximately 8,326.80 sq.m. Upon completion, the proposed development will provide two 36-storey blocks accommodating a total of 118 units of apartments together with a basement car park, swimming pool and communal facilities. As advised by WPL, all 118 units have been sold with total sales proceeds of approximately S\$560.7 million. The development is scheduled to be completed in the 1st half of 2010. Revenue will be recorded by the WPL Group in 2010 following development completion.

The market value in existing state attributable to the WPL Group was approximately HK\$2,147.4 million as at 31 March 2010. The estimated total construction cost of the proposed development was approximately S\$99,823,900 (excluding professional fees of approximately S\$4,714,000) and the construction cost already expended was approximately S\$91,624,265 (excluding professional fees of S\$3,825,000) as at 31 March 2010.

(4) Lots Nos 966K and 968X TS 27 at Scotts Road, Scotts Square, Singapore

Scotts Square is a proposed commercial-cum-residential development planned on a site with a total site area of approximately 6,608.80 sq.m. The property is under construction. Upon completion, the proposed development is expected to provide a 34/43-storey residential block (namely Tower 1) with a 3-storey commercial podium and a 25/34-storey residential block (namely Tower 2) accommodating a total of 338 units of apartments together with a basement shop, a basement car park, 3-storey podium car park, swimming pool and communal facilities. The development is scheduled to be completed in the 4th quarter of 2011.

The total gross floor area of the proposed development is approximately 42,699.24 sq.m. (including additional balcony gross floor area of approximately 814.20 sq.m.). The proposed breakdown of the net floor area between commercial and residential portions is 7,100.00 sq.m. and 27,194.60 sq.m. respectively (subject to final survey). A total of 21,145.40 sq.m. of the residential net floor area have been the subject of preliminary sale and purchase agreements for total sales proceeds of approximately S\$908,985,543 as at 31 March 2010.

The market value in existing state attributable to the WPL Group was approximately HK\$4,209.9 million as at 31 March 2010. The estimated total construction cost of the proposed development was approximately S\$178,447,497 (excluding professional fees of approximately S\$9,955,000) and the construction cost already expended was approximately S\$62,309,304 (excluding professional fees of approximately S\$6,191,000) as at the same date.

LETTER FROM SOMERLEY

(5) Lot No 1591N TS 24 at 29 Angullia Park, Orchard View, Singapore

Orchard View is a proposed residential development planned on a site with a site area of approximately 2,701.40 sq.m. The property is in the final stage of construction. Upon completion, the proposed development will provide a 36-storey residential block accommodating a total of 30 units of apartments together with basement car park, swimming pool and communal facilities. The development is scheduled to be completed in the 1st half of 2010.

The total gross floor area of the proposed development is approximately 8,319.92 sq.m. including additional balcony gross floor area of approximately 756.00 sq.m. The proposed net floor area of the development is approximately 7,051.34 sq.m. A total residential net floor area of approximately 1,175.22 sq.m. has been the subject of preliminary sale and purchase agreements for total sales proceeds of approximately S\$39,515,648 as at 31 March 2010.

The market value in existing state attributable to the WPL Group was approximately HK\$842.1 million as at 31 March 2010. The estimated total construction cost of the proposed development was approximately S\$32,422,097 (excluding professional fees of approximately S\$1,798,000) and the construction cost already expended was approximately S\$30,118,026 (excluding professional fees of approximately S\$1,497,000) as at the same date.

(6) Lot No 658X TS 25 at No 3 Ardmore Park, Ardmore 3, Singapore

Ardmore 3 is a proposed condominium development planned on a site with a site area of approximately 5,107.90 sq.m. Piling work is expected to commence in mid 2010. Upon completion, the proposed development will provide a 36-storey residential block accommodating a total of 84 units of apartments together with a basement car park, swimming pool and communal facilities. The development is scheduled to be completed in 2014.

The total gross floor area of the proposed development is approximately 15,731.80 sq.m. including additional balcony gross floor area of approximately 1,429.70 sq.m.

The market value in existing state attributable to the WPL Group was approximately HK\$1,195.4 million as at 31 March 2010.

(d) Properties held for future development

Properties held for future development are all located in Hong Kong with a total market value in existing state attributable to the WPL Group of approximately HK\$1,106.0 million as at 31 March 2010.

Properties held for future development include a level site at 100 Belcher's Street, Kennedy Town with a site area of approximately 153.75 sq.m. The property is being occupied as an open car park. The property is proposed to be developed into a single storey commercial building with a total gross floor area of approximately 150.50

LETTER FROM SOMERLEY

sq.m. The scheduled commencement date and completion date of the proposed development are around September 2011 and September 2012 respectively. The estimated total construction cost to complete the proposed development is approximately HK\$5.0 million excluding professional fees. Its market value in existing state attributable to the WPL Group was approximately HK\$14.9 million as at 31 March 2010.

The WPL Group held 135/137th equal and undivided shares, Kin Yu Building, No 46 Belcher's Street, Kennedy Town, Hong Kong as at 31 March 2010. Its market value in existing state attributable to the WPL Group was approximately HK\$582.0 million as at 31 March 2010. The WPL Group acquired the remaining interests of the Kin Yu Building on 3 May 2010 through a compulsory public auction. The WPL Group intends to develop it for commercial/residential purpose. The proposed redevelopment of the site, is scheduled to be completed in about mid 2014. The estimated total construction cost to complete the proposed development is approximately HK\$198.0 million excluding professional fees.

The WPL Group also held certain apartments, and commercial and residential units located at (1) Nos 233-235 Prince Edward Road West; (2) Sui Wah House, Nos 39, 41, 43 & 45 Western Street and Nos 92, 94, 96 & 98 High Street, Sheung Wan; and (3) 50 Kadoorie Avenue, Homantin with a total of market value in existing state attributable to the WPL Group of approximately HK\$276.9 million as at 31 March 2010. These properties are intended to be held by the WPL Group for potential development.

Remaining properties held for future development are principally various lots of agricultural land located in Tai Po and Tuen Mun. WPL inform us that as not all the lots are adjacent to each other, and that acquisition of additional lots may be required before a commercially feasible development could be commenced for certain lots. Other pre-requisites for development include application for re-zoning and payment of land premium to the government. Given the pre-requisites involved, WPL has no definite plan to develop these lots at present.

(e) Property interest held through associated companies and jointly controlled entities

A total market value in existing state attributable to the WPL Group of approximately HK\$2,298.8 million as at 31 March 2010 was assessed by Knight Frank in respect of property interests held through associated companies and jointly controlled entities which are summarised as below:

- (1) Various units in the commercial block and various car parking spaces in Bellagio, 33 Castle Peak Road, Sham Tseng, Tsuen Wan, New Territories, Hong Kong*

Bellagio is a residential development comprising 8 high-rise residential towers over an 8-level club houses/car parking podium plus an ancillary block accommodating commercial and institutional facilities. The WPL Group holds approximately 33.33% interests of Salisburgh Company Limited which holds

LETTER FROM SOMERLEY

various commercial units and a kindergarten having a gross area of approximately 3,541.43 sq.m. excluding a terrace of approximately 176.24 sq.m. The property also comprises a signage box and a number of parking spaces. As at 31 March 2010, the majority of the commercial portion of the property was let under various tenancies and the car parking spaces were let under various licences. These properties are intended for sale. The market value in existing state attributable to the WPL Group was approximately HK\$76.7 million as at 31 March 2010.

- (2) *4 penthouse units and 19 car parking spaces in Parc Palais, 18 Wylie Road, Yau Ma Tei, Kowloon, Hong Kong*

Parc Palais is a residential development comprising numerous high-rise residential buildings with ancillary recreational and car parking spaces completed in 2004. The WPL Group holds 20.0% interests of Grace Sign Limited which holds four penthouse units within the development with a total gross area of approximately 1,159.51 sq.m. and total saleable area of approximately 925.12 sq.m. It also holds a total flat roof and roof area of approximately 462.00 sq.m. and a total of 19 car parking spaces. The property was vacant as at 31 March 2010 and is intended for sale. The market value in existing state attributable to the WPL Group was approximately HK\$41.6 million as at 31 March 2010.

- (3) *326 car parking spaces in Parc Royale, 8 Hin Tai Street, Shatin, New Territories, Hong Kong*

Parc Royale is a residential development comprising eleven high-rise residential buildings with ancillary recreational and car parking spaces completed in 1995. The WPL Group holds 44.0% interests of Dramstar Company Limited which holds 326 covered car parking spaces in Parc Royale. The car parking spaces are let under various monthly licences. These car parking spaces are intended for sale. The market value in existing state attributable to the WPL Group was approximately HK\$14.5 million as at 31 March 2010.

- (4) *The Austin Station Development excluding the Railway Station Portions, Site C and Site D, West Kowloon, Kowloon, Hong Kong*

In early March 2010, a joint bid by the WPL Group and New World Development Company Limited ("New World") on a 50:50 basis won the tender for the development project of Site C and Site D of MTR Corporation Limited excluding the existing Austin Station Portion. The total site area of Site C and Site D is approximately 27,423 sq.m.

The property is proposed to be developed into a private residential development comprising six residential towers (three on Site C and three on Site D) with associated car parking spaces. The scheduled completion date of the development will be in about end 2013 and mid 2014 for Site C and Site D respectively. Upon completion, the property is estimated to provide a total residential gross floor area of approximately 119,116 sq.m. and a number of parking spaces.

LETTER FROM SOMERLEY

The estimated total construction cost to complete the proposed development is approximately HK\$3,332.0 million (excluding professional fees of approximately HK\$180.0 million). The WPL Group is responsible for half of the construction cost.

No commercial value has been assigned by Knight Frank to the property in existing state as at 31 March 2010 as the land grant has yet to be obtained. If the land grant had been obtained, the market value in existing state attributable to the WPL Group would be approximately HK\$3,904.6 million as at 31 March 2010.

- (5) *Three parcels of land situated at Nongchangcunweihui, Shishanbanshichu, (western side of Keji North Road), Shishan Town, Nanhai District, Foshan City, Guangdong Province, the PRC*

The property was vacant land as at 31 March 2010 and is planned for an upscale residential project with a total gross floor area of approximately 310,112.16 sq.m. scheduled to be completed in about 2015.

This property project is jointly undertaken with China Merchants Property group on a 50:50 basis. It has no commercial value in existing state as assigned by Knight Frank as at 31 March 2010, as the State-owned Land Use Right Certificate is in the progress of being obtained. If the State-owned Land Use Right Certificate had been obtained, the market value of the property attributable to the WPL Group as at 31 March 2010 would be approximately HK\$395.0 million.

- (6) *Evian Uptown, Kuiqi Road North and, Guilan Road West, Chancheng District, Foshan City, Guangdong Province, the PRC*

Evian Uptown is planned to be developed into a large-scale residential development by three phases with a total site area of approximately 107,299 sq.m. It is currently under construction and is scheduled to be completed in 2013. 225 residential units of Phase I of this property project with a total gross floor area of 19,165.95 sq.m. were pre-sold with total sales proceeds of approximately RMB173.7 million as at 31 March 2010.

This property project is jointly undertaken with China Merchants Property group on a 50:50 basis. Its market value in existing state attributable to the WPL Group was approximately HK\$849.0 million as at 31 March 2010.

- (7) *Evian Town, Yuhe Road North, Tianhong Road South and Fenjiang South Road East, Xincheng District, Foshan City, Guangdong Province, the PRC*

Evian Town is planned to be developed into a large-scale residential development by four phases with a total site area of approximately 173,104.93 sq.m. It is currently under construction and is scheduled to be completed in 2012.

LETTER FROM SOMERLEY

The residential portion of Phase I of this property project with a total gross floor area of 86,037.47 sq.m. was sold as at 31 March 2010. The sold portion is excluded from the valuation conducted by Knight Frank. In addition, 616 residential units of the Phase II of this property project with a total gross floor area of 92,140.43 sq.m. were pre-sold for total sales proceeds of approximately RMB1,019.4 million as at 31 March 2010. The pre-sold portion is included in the valuation conducted by Knight Frank.

This property project is jointly undertaken with China Merchants Property group on a 50:50 basis. Its market value in existing state attributable to the WPL Group was approximately HK\$1,317.0 million as at 31 March 2010.

The WPL Group's Hong Kong and Singapore property interests accounted for approximately 32% and 57% of its property portfolio respectively based on their market value in existing state attributable to the WPL Group as at 31 March 2010. The prospects of the WPL Group's property investment and development business in these regions depend on a number of factors affecting the Hong Kong and Singapore property market, including local and global economic conditions, as well as government policies with respect to the property sector. Certain properties held under development by the WPL Group in Hong Kong, Singapore and the PRC are scheduled to be completed in 2010 and subsequent years. Estimated completed values and costs to complete for these developments are shown in the notes to the valuation report set out in Appendix II. The valuation figures are lower than the completed values less the cost to complete to allow for such factors as to the time to complete, the cost of marketing and an expected development profit.

The WPL Group's interests in the PRC properties through its jointly controlled companies accounted for approximately 11% of its property portfolio based on their market value in existing state attributable to the WPL Group as at 31 March 2010. Recently the PRC Government has introduced tightening measures for the real estate market in view of property price inflation in certain cities in the PRC. Government policies of this kind may impact the sentiment of the PRC property market, which in turn will affect the prospects of the WPL Group's interests in the PRC properties.

LETTER FROM SOMERLEY

4. Assets and reassessed net asset value

(i) Assets

The audited consolidated balance sheet of the WPL Group as at 31 December 2009 is set out in Appendix I to the Scheme Document. Total assets and net assets as at that date of HK\$37,114 million and HK\$27,842 million respectively may be analysed as follows:

	<i>HK\$ million</i>	<i>Approximate %</i>
Investment properties	8,303	22.4
Properties under development for sale	7,514	20.2
Properties held for sale	<u>185</u>	<u>0.5</u>
	16,002	43.1
Available-for-sale investments	12,071	32.5
Bank deposits and cash	6,969	18.8
Interests in associates*	1,360	3.7
Other assets	<u>712</u>	<u>1.9</u>
<i>Total assets</i>	37,114	<u><u>100.0</u></u>
Less: Current liabilities	(5,135)	
Long term liabilities	(1,228)	
Minority interests	<u>(2,909)</u>	
<i>Net assets attributable to the Shareholders</i>	<u><u>27,842</u></u>	

* Includes 50% interest in Foshan Xicheng and Foshan Chancheng development projects in the PRC and various interests in certain Hong Kong property development projects.

LETTER FROM SOMERLEY

(a) *Property interests*

As shown above, approximately 43.1% of the WPL Group's total assets as at 31 December 2009 are properties, the valuations of which as at 31 March 2010 conducted by Knight Frank are set out in the valuation report contained in Appendix II to the Scheme Document. The attributable market value of the property interests in existing state based on the valuations may be analysed as follows:

	Market value of the property interests in existing state attributable to the WPL Group <i>HK\$ million</i>	Proportion of total property interests <i>Approximate %</i>
Completed investment properties		
– Hong Kong	2,853.8	
– Singapore	3,346.6	
	6,200.4	30.3
Properties held for sale		
– Hong Kong	375.5	1.8
Properties held under development		
– Hong Kong	2,101.0	
– Singapore	8,394.9	
	10,495.9	51.3
Properties held for future development		
– Hong Kong	1,106.0	5.4
Property interests held through associated companies and jointly controlled entities		
– Hong Kong	132.8	
– PRC	2,166.0	
	2,298.8	11.2
Total property interests	20,476.6	100.0

The above valuations have been used to calculate the reassessed unaudited consolidated net assets of the WPL Group shown in sub-section (ii) below, against which the Cancellation Price is assessed. For this purpose, we have

LETTER FROM SOMERLEY

discussed the bases and assumptions for the property valuation with Knight Frank and concur with the approach they have taken in valuing the different types of properties in the differing locations.

(b) Available-for-sale investments

WPL holds shares in The Wharf (Holdings) Limited (“Wharf”), Sun Hung Kai Properties Limited (“SHK”) and Hongkong Land Holdings Limited (“HK Land”). WPSL, a 75.84% owned subsidiary of WPL, also holds shares in SC Global Developments Ltd (“SC Global”) and Hotel Properties Limited (“HPL”). The table below sets out the details of WPL’s holdings in these companies:

Listed investment held by the WPL Group	Approximate number of shares held	Closing share price as at the Latest Practicable Date <i>(Notes 1 and 2)</i>	Market value as at the Latest Practicable Date <i>HK\$ million</i>	Interest held by WPL <i>%</i>	Attributable value to WPL <i>HK\$ million</i>
Wharf	193,879	HK\$39.55	7,667.9	100	7,667.9
SHK	2,609	HK\$103.50	270.0	100	270.0
HK Land	34,343	USD4.98	1,328.0	100	1,328.0
SC Global	65,501	S\$1.69	626.5	75.84	475.1
HPL	102,948	S\$2.21	1,287.7	75.84	976.6
Total					<u>10,717.6</u>

Notes:

1. Closing share prices of Wharf and SHK represent prices quoted on the Stock Exchange. Share price quotations on the Singapore Stock Exchange are used for HK Land, SC Global and HPL.
2. The closing share prices of the listed investments as at the Latest Practicable Date are sourced from Bloomberg.
3. USD and S\$ are converted into HK\$, for illustration only, at the rates of USD1 to HK\$7.765 and S\$1 to HK\$5.66 respectively.

LETTER FROM SOMERLEY

(ii) Net asset value

In the context of our advice on the Proposal, we have reassessed the adjusted unaudited consolidated net assets (the "Reassessed NAV") of the WPL Group based on the audited consolidated financial statements of WPL as at 31 December 2009 and adjusted as set out below. We consider that the Reassessed NAV better reflects the underlying net asset backing of the WPL Group.

	<i>HK\$ million</i>
Audited consolidated net asset value of the WPL Group attributable to the Shareholders as at 31 December 2009	27,842
<i>Add:</i>	
Change in fair value of listed available-for-sale investments (Note 1)	(1,035)
Revaluation surplus arising from the valuation of property interests attributable to the WPL Group (including associated companies and jointly controlled entities) as at 31 March 2010 (Note 2)	<u>3,969</u>
Unaudited reassessed value before final dividend payment	30,776
Less: Final dividend to be paid on 7 June 2010	<u>(166)</u>
Reassessed NAV	<u><u>30,610</u></u>
Reassessed NAV per Share (based on 2,069,637,125 Shares in issue as at the Latest Practicable Date)	<u><u>HK\$14.79</u></u>

Notes:

1. This represents the attributable deficit arising from the change in fair value of listed available-for-sale investments held by the WPL Group as at the Latest Practicable Date. If 19 April 2010 (the last date of trading of WPL before the Announcement) had been used as the basis, the deficit would have been HK\$167 million and the Reassessed NAV per Share would have been HK\$15.21.
2. This represents an attributable revaluation surplus arising from the change in fair value of the investment properties and other property interests held by the WPL Group (including associated companies and jointly controlled entities) as at 31 March 2010, as assessed by Knight Frank after deducting the attributable potential Hong Kong, the PRC and Singapore tax liability of approximately HK\$1,057 million that would be crystallised for the WPL Group (including associated companies and jointly controlled entities) upon disposal of its properties at the valuation price.
3. Pursuant to the Singapore Listing Rules, WPSL, a non-wholly owned subsidiary of WPL, has published and announced its unaudited financial results for the three months ended 31 March 2010 on 14 May 2010. Pre-sale of development properties of WPSL are recognised using the percentage of completion method in accordance with the accounting standards generally accepted in Singapore. The percentage of completion is measured by reference to the percentage of construction costs incurred at the reporting date compared to the estimated total construction costs. We understand from WPL that WPSL's revenue recognition method is different from the one generally accepted in Hong Kong and adopted by WPL. Pursuant to the

LETTER FROM SOMERLEY

accounting standards generally accepted in Hong Kong, income arising from the sale of development properties is recognised upon the later of the execution of the formal sale and purchase agreement and the issue of the occupation permit/completion certificate by the relevant government authorities, which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer. Accordingly, the Reassessed NAV disclosed above has not taken into account the unaudited first quarter financial results of WPSL.

4. Should the change in fair value of listed available-for-sale investments held by the WPL Group as at the Latest Practicable Date be replaced by the change in fair value of listed available-for-sale investments held by the WPL Group on 19 April 2010 (the date on which trading of the Shares on the Stock Exchange was suspended pending the issue of the Announcement), the reassessed net asset value would become HK\$31,478 million, with a per Share value of HK\$15.21. The Cancellation Price of HK\$13.0 per Scheme Share represents a discount of approximately 14.5% to this reassessed net asset value of HK\$15.21 per Share. For the purpose of our analysis, we have calculated the Reassessed NAV based on the change in fair value of listed available-for-sale investments held by the WPL Group as at the Latest Practicable Date because it reflects the up-to-date value of the available-for-sale investments.

The Cancellation Price of HK\$13.0 per Scheme Share represents a discount of approximately 12.1% to the Reassessed NAV of HK\$14.79 per Share.

5. Comparisons

In considering the terms of the Proposal, we have compared the above discount of 12.1% of the Cancellation Price to Reassessed NAV per Share with:

- the discounts to consolidated net assets attributable to the Shareholders at which the Shares have been traded since the release by the WPL Group of its final results for the year ended 31 December 2007;
- the discounts to consolidated net assets attributable to equity holders at which similar Hong Kong listed property companies have been traded; and
- the discounts to consolidated net assets attributable to equity holders at which privatisation proposals for Hong Kong listed property companies have been made since 2003.

LETTER FROM SOMERLEY

(i) Historical discount of market price to consolidated net asset value attributable to the Shareholders

We have compared the closing prices of the Shares against the then latest consolidated net asset value attributable to the Shareholders per Share. We have assumed that this information was generally available to the market from the date of publication of the relevant full year or interim results announcements and that the Share price has reflected such information.

Period	Published consolidated net asset value attributable to the Shareholders per Share [#] HK\$	Closing price per Share		Discount to net asset value attributable to the Shareholders per Share	
		High	Low	Lowest	Highest
		HK\$	HK\$	Approximate %	Approximate %
18/3/2008* – 17/8/2008	12.02	7.93	5.83	34.03	51.50
18/8/2008* – 16/3/2009	11.41	5.95	1.90	47.85	83.35
17/3/2009* – 13/8/2009	9.78	5.43	2.30	44.48	76.48
14/8/2009* – 15/3/2010	11.27	5.76	4.48	48.89	60.25
16/3/2010* – Last Trading Date	13.45	5.36	4.71	60.15	64.98

Notes:

* Date when WPL released its full year or interim results announcements.

Consolidated net asset values attributable to the Shareholders are extracted from WPL's annual or interim results announcements.

Based on the analysis set out above, the Shares have been consistently traded at a substantial discount to underlying consolidated net asset value attributable to the Shareholders for the period from 18 March 2008 to the Last Trading Date, ranging from approximately 34.03% to 83.35%. The discount of the Cancellation Price to the Reassessed NAV per Share of 12.1% is considerably lower than the historical discount of market price to consolidated net asset value attributable to the Shareholders as set out above.

(ii) Peer comparison

We have reviewed all property companies listed in Hong Kong (the "Comparable Companies"), which are principally engaged in property developments and/or investments with property development and/or investments primarily in Hong Kong and/or Singapore as shown in their latest published annual reports, and which have a market capitalisation above HK\$9,000 million and below HK\$30,000 million as at the Latest Practicable Date. On this basis, we find the following four Comparable Companies and set them out in the table below.

LETTER FROM SOMERLEY

The table below illustrates the level of discount of share prices to consolidated net asset values attributable to equity holders of each of the Comparable Companies and WPL.

	Closing share price as at the Latest Practicable Date <i>HK\$</i> <i>(Note 1)</i>	Market capitalisation as at the Latest Practicable Date <i>HK\$'million</i> <i>(Note 1)</i>	Audited/ unaudited consolidated net asset value attributable to equity holders <i>HK\$'million</i> <i>(Note 1)</i>	Discount of market capitalisation to the consolidated net asset value attributable to equity holders <i>Approximate %</i>	Audited consolidated profits attributable to equity holders <i>HK\$'million</i> <i>(Note 1)</i>	Historical price- earnings multiple <i>Times</i> <i>(Note 2)</i>	Dividend yield as at the Latest Practicable Date <i>Approximate %</i> <i>(Note 7)</i>
Chinese Estates Holdings Limited (stock code: 127)	12.12	23,634.0	38,632.9	38.8	8,648.7	2.7	0.3
Hysan Development Company Limited (stock code: 14)	21.80	22,903.3	33,668.0	32.0	2,716.0	8.4	3.1
Hopewell Holdings Limited (stock code: 54)	22.05	19,348.2	21,406.2	9.6	1,680.9	11.5	4.7
Kowloon Development Company Limited (stock code: 34)	8.48	9,757.8	16,134.2	39.5	1,213.5	8.0	6.1
Mean				30.0		7.7	3.6
WPL	13.00 <i>(Note 3)</i>	26,905.3 <i>(Note 4)</i>	30,610 <i>(Note 5)</i>	12.1 <i>(Note 5)</i>	1,458.0	18.5 <i>(Note 6)</i>	0.8

Notes:

- (1) The closing share price and market capitalisation of the Comparable Companies as at the Latest Practicable Date are sourced from Bloomberg. The audited/unaudited consolidated net asset value attributable to equity holders are extracted from the latest annual/interim reports of the Comparable Companies and the audited profits attributable to equity holders are extracted from the latest annual reports of the Comparable Companies.
- (2) The historical price-earnings multiples of the Comparable Companies are calculated based on their latest audited consolidated profits attributable to their respective equity holders and their closing market capitalisation as at the Latest Practicable Date.
- (3) Being the Cancellation Price of HK\$13.00 per Scheme Share.
- (4) We have taken the Cancellation Price for the purpose of determining the market capitalisation of WPL.
- (5) Being the Reassessed NAV as set out in the paragraph headed "Assets and reassessed net asset value" above and the discount represented by the Cancellation Price to the Reassessed NAV per Share.
- (6) The historical price-earnings multiple of WPL is calculated based on its latest audited consolidated profits attributable to the Shareholders and its market capitalisation represented by the Cancellation Price.
- (7) The dividend yield of the Comparable Companies as at the Latest Practicable Date is sourced from Bloomberg. The dividend yield of WPL is calculated based on the Cancellation Price and the dividend of HK10 cents per Share as disclosed in the latest audited financial statements.

LETTER FROM SOMERLEY

The Comparable Companies are traded at discounts to consolidated net asset value in the range of approximately 9.6% to 39.5%. The mean of such discounts is approximately 30.0%. The discount of approximately 12.1% represented by the Cancellation Price to the Reassessed NAV per Share falls into the low range, and is lower than the mean discount of the Comparable Companies.

The historical price-earnings multiples of the Comparable Companies range from approximately 2.7 to 11.5 times, with a mean of approximately 7.7 times. The historical price-earning multiple for WPL based on its market capitalisation represented by the Cancellation Price is approximately 18.5 times. However, the price earnings multiples of companies with a considerable element of property development profits are likely to vary sharply, depending on the timing of completion of projects. We therefore have not placed much weight on historical price-earnings multiples in this case.

(iii) Privatisation precedents

Set out in the table below are all the privatisation proposals involving companies with principal activities in property development and/or investment listed on the Stock Exchange announced since 1 January 2003 and up to the Latest Practicable Date (the "Privatisation Precedents"). The table below illustrates the range of premium over prevailing market prices at which privatisation proposals have been priced over the last approximately seven years. The level of discount/premium to/over consolidated adjusted net assets at which the Privatisation Precedents were made is also summarised in the table below.

Date of initial announcement	Company	Principal activities	Offer/ cancellation price HK\$	Premium of offer/cancellation price over the average share price prior to announcement of privatisation proposal			Premium/ (Discount) of cancellation price over/(to) consolidated adjusted net asset value per share	Result
				1 month	3 months	6 months		
				2008				
February	Pacific Century Premium Developments Limited (stock code: 432)	Development and management of premium property and infrastructure projects, investment in premium-grade buildings, in the Asia-Pacific region	2.85	23.38%	16.33%	15.38%	(12.3)%	Failed
2007								
April	Shimao International Holdings Limited (stock code: 649)	Property development and investment	1.05	47.89%	45.83%	41.89%	(19.8)%	Successful

LETTER FROM SOMERLEY

Date of initial announcement	Company	Principal activities	Offer/ cancellation price HK\$	Premium of offer/cancellation price over the average share price prior to announcement of privatisation proposal			Premium/ (Discount) of cancellation price over/(to) consolidated adjusted net asset value per share	Result
				1 month	3 months	6 months		
2005								
May	Henderson China Holdings Limited (stock code: 246)	Property development and investment, project management, property management, finance and investment holding	8.00	63.27%	65.29%	75.44%	(36.1)%	Successful
2004								
November	Kwong Sang Hong International Limited ("KSH") (stock code: 189)	Property development, sales of properties, property leasing, manufacturing and trading in cosmetic products	1.25	22.55%	47.06%	66.67%	(31.7)% (Note 1)	Successful
2003								
May	Oxford Properties & Finance Limited ("Oxford Properties") (stock code: 220)	Investment holding, property investment, property development and the provision of property agency services	15.00 (Note 2)	68.35%	79.43%	70.65%	13.3% (Note 2)	Successful
May	Pacific Concord Holding Limited (stock code: 438)	Property sales and development, consumer products and strategic investments, rental and finance	0.65	62.50%	51.16%	51.16%	(55.5)%	Successful
May	Top Glory International Holdings Limited (stock code: 268)	Property investment and developments in Hong Kong and the PRC and hotel ownership and operations in the PRC	0.74	80.49%	64.44%	80.49%	(44.8)%	Successful

LETTER FROM SOMERLEY

Date of initial announcement	Company	Principal activities	Offer/cancellation price HK\$	Premium of offer/cancellation price over the average share price prior to announcement of privatisation proposal			Premium/(Discount) of cancellation price over/(to) consolidated adjusted net asset value per share	Result
				1 month	3 months	6 months		
				April	Kerry Properties Limited (stock code: 683)	Property development and investment in Hong Kong, the PRC, Australia and the Philippines, logistics, freight and warehouse ownership and operation, infrastructure-related investment in Hong Kong and the PRC and hotel ownership in the PRC		
	Mean			52.20%	52.05%	57.08%	(28.3)%	
	Median			55.82%	49.11%	60.83%	(33.9)%	
27 April 2010	the Proposal		13.00	153.91%	165.31%	156.41%	(12.1)%	

Source: Published circulars/documents or announcements relating to the above proposals.

Notes:

1. The figure represents the proforma adjusted unaudited consolidated net assets as disclosed in the proforma statement of adjusted unaudited consolidated net tangible assets contained in the KSH privatisation document, after taking into account the attributable property revaluation surplus in the amount of approximately HK\$471.0 million as disclosed in the note to such statement.
2. Based on the revised cancellation price and adjusted consolidated net asset value as disclosed in the Oxford Properties privatisation document dated 29 March 2004.

Based on the above table, the means of the premium over average closing price for the Privatisation Precedents over 1 month, 3 months and 6 months prior to announcement of the Privatisation Proposal were approximately 52%, 52% and 57% respectively, with a median of approximately 56%, 49% and 61% respectively. This compares with the premium for the Proposal for the same periods of approximately 154%, 165% and 156% respectively, on which basis we consider the pricing is favourable to the Scheme Shareholders.

As seen in the above table, the cancellation prices offered by other privatisation proposals ranged from 12.3% to 55.5% discounts to the relevant companies' respective consolidated adjusted net asset value with the exception of Oxford Properties at a 13.3% premium. We consider that the cancellation price for the Oxford Properties proposal, which was at a premium over its underlying net asset value, may be due to the particular circumstances regarding the

LETTER FROM SOMERLEY

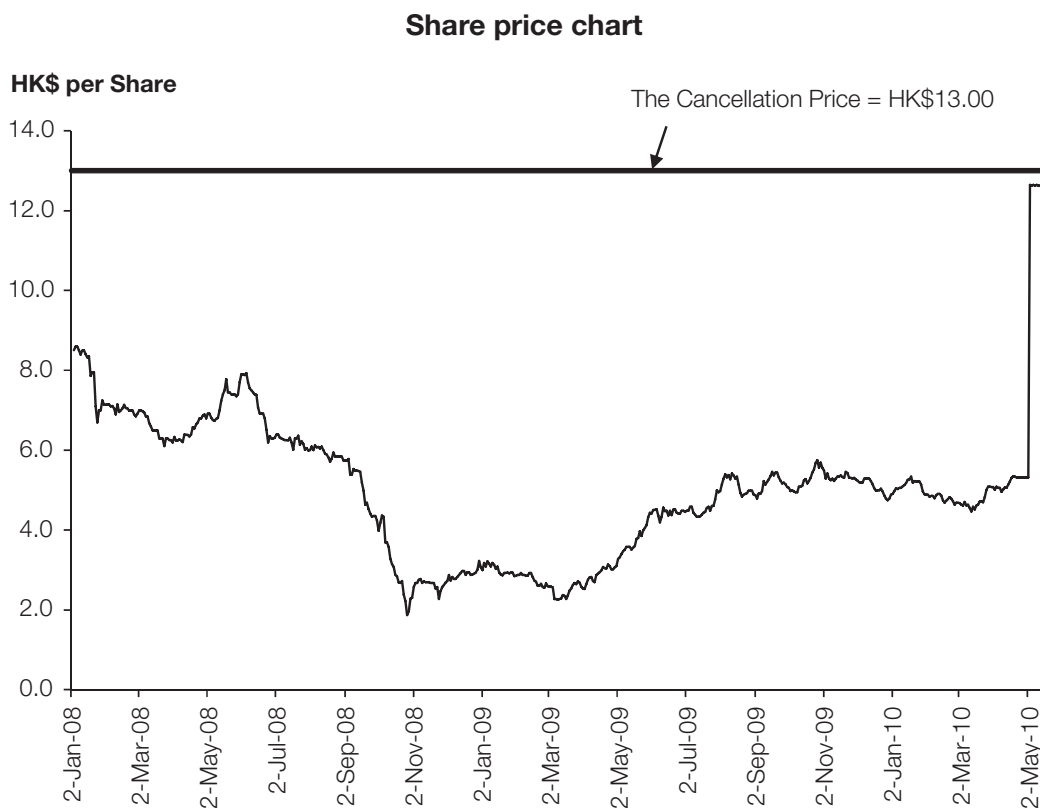
shareholding base and public float issues of Oxford Properties at the relevant time and therefore may not be an appropriate reference for the purpose of the Proposal.

The 12.1% discount to the Reassessed NAV per Share represented by the Cancellation Price is below the low end of the range of the above precedent cases.

6. Share price and trading volume

(i) Share prices

The share price chart below illustrates the daily closing price per Share quoted on the Stock Exchange from 1 January 2008 up to the Latest Practicable Date (both dates inclusive):



Source: Bloomberg

As illustrated in the above share price chart, the closing price of the Shares was below the Cancellation Price at all times during the period under review. The significant decrease in Share price in the second half of 2008 was attributable to the global economic crisis. There has been an upward trend since the last quarter of 2008, which may be due to the gradual recovery of the economy. The Shares closed at HK\$5.33 on the Last Trading Date and surged to HK\$12.62, being the closing price

LETTER FROM SOMERLEY

of the Shares on 28 April 2010 after the release of the Announcement. The Cancellation Price of HK\$13.00 per Scheme Share represents:

- a premium of approximately 3.34% over the closing price of HK\$12.58 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- a premium of approximately 143.90% over the closing price of the Shares of HK\$5.33 as quoted by the Stock Exchange on the Last Trading Date;
- a premium of approximately 144.36% over the average closing price of the Shares of approximately HK\$5.32 as quoted by the Stock Exchange for the five full Trading Days up to and including the Last Trading Date;
- a premium of approximately 162.10% over the average closing price of the Shares of approximately HK\$4.96 as quoted by the Stock Exchange for the 30 full Trading Days up to and including the Last Trading Date;
- a premium of approximately 162.10% over the average closing price of the Shares of approximately HK\$4.96 as quoted by the Stock Exchange for the 90 full Trading Days up to and including the Last Trading Date; and
- a premium of approximately 170.27% over the average closing price of the Shares of approximately HK\$4.81 as quoted by the Stock Exchange for the one year period up to and including the Last Trading Date.

The Shares have been trading at levels lower than the Cancellation Price of HK\$13.00 per Scheme Share on the market during the period under review. In our opinion, the recent rise in Share price is highly likely to be due to the announcement of the Proposal. There is no assurance that the price of the Shares will remain at the current level if the Scheme is not approved or lapses or does not become unconditional for any reason.

LETTER FROM SOMERLEY

(ii) *Turnover*

The table below sets out the total number of Shares traded per month, the percentage of the monthly trading volume to the issued share capital of WPL and the percentage of the monthly trading volume to the Shares held by the public respectively for the period commencing from 1 January 2008 and up to and including the Latest Practicable Date:

	Total monthly trading volume of Shares (note 1)	Approximate % of total monthly trading volume to the total issued Shares (note 2)	Approximate % of total monthly trading volume to the public float (note 3)
2008			
January	5,543,275	0.27	1.04
February	1,808,930	0.09	0.34
March	5,073,628	0.25	0.96
April	6,042,902	0.29	1.14
May	4,556,724	0.22	0.86
June	3,446,715	0.17	0.65
July	4,924,870	0.24	0.93
August	4,656,450	0.22	0.88
September	2,588,842	0.13	0.49
October	6,602,088	0.32	1.24
November	1,095,449	0.05	0.21
December	1,480,846	0.07	0.28
2009			
January	877,861	0.04	0.17
February	2,297,448	0.11	0.43
March	7,492,590	0.36	1.41
April	15,306,932	0.74	2.88
May	8,417,162	0.41	1.58
June	6,653,715	0.32	1.25
July	5,048,349	0.24	0.95
August	6,922,259	0.33	1.30
September	8,918,016	0.43	1.68
October	3,609,803	0.17	0.68
November	1,900,979	0.09	0.36
December	3,070,625	0.15	0.58
2010			
January	2,569,566	0.12	0.48
February	2,390,621	0.12	0.45
March	11,139,092	0.54	2.10
April	29,369,296	1.42	5.53
1 May 2010 to Latest Practicable Date	21,675,377	1.05	4.08

LETTER FROM SOMERLEY

Notes:

1. Source: Bloomberg
2. Based on 2,069,637,125 Shares in issue.
3. Based on the number of Shares held by public of 531,135,948 Shares from 1 January 2008 up to 31 March 2010, and 531,138,848 Shares from 1 April 2010 up to the Latest Practicable Date.

The monthly trading volume of the Shares during the period was mixed with turnover generally below 2% of the Shares in public hands for most months, except for April 2009, March 2010, April 2010 and the period from 1 May 2010 to the Latest Practicable Date. The relatively higher trading volume in March 2010 might have been prompted by positive news relating to the acceptance by MTR Corporation Limited in respect of the tender offer submitted by the project company on behalf of the consortium formed jointly by WPL and New World for development of the Austin Station Property Developments Site C and Site D, as jointly announced by WPL and Wheelock on 2 March 2010. The sudden surge in the trading volume since April 2010 was likely due to the announcement of the Proposal.

Given the thin trading volume of the Shares in the past, in our view, the Scheme Shareholders who wish to sell a significant number of their Shares in the market at this level of liquidity may cause downward pressure on the market price of the Shares. The Proposal, therefore, represents an opportunity for the Scheme Shareholders to dispose of their entire holdings at the Cancellation Price if they so wish.

DISCUSSION

WPL has been a long established listed public company in Hong Kong. However, it has not raised any money from the equity capital market for over 35 years and WPL's shares are thinly traded, as illustrated in the sub-paragraph headed "Turnover" under the paragraph headed "Share price and trading volume" above. The limited level of Share trading as illustrated there has taken place at prices substantially below the net asset value per Share at the relevant time. Consequently, we consider this is a suitable opportunity for the Independent Shareholders, after a long history of WPL as a public company, to consider a privatisation proposal.

In considering the Cancellation Price at HK\$13 per Scheme Share, the two factors we have taken most into account are the premium over market price and the discount to the Reassessed NAV.

(i) Premium over market price

As set out in the sub-paragraph headed "Share prices" under the paragraph headed "Share price and trading volume" above, the premium of the Cancellation Price over the market price based on various periods up to the Last Trading Date (i.e. just before the Proposal was announced) ranges from about 140% to 170%. This premium is substantially higher than the privatisation proposals involving companies with principal activities in property development and/or investment listed on the Stock Exchange over the last seven years, as set out in the sub-paragraph headed

LETTER FROM SOMERLEY

“Privatisation precedents” under the paragraph headed “Comparisons” of our letter. The means of the premium of cancellation price over market price for the Privatisation Precedents based on various periods range from approximately 52% to 57%.

In addition to the above analysis which is based on the most recent periods, the Cancellation Price of HK\$13.00 per Scheme Share represents a premium of approximately 120% over the average closing price for the 3 year period ended on the Announcement Date.

(ii) Discount to the Reassessed NAV

As set out in the Explanatory Statement, the Cancellation Price of HK\$13.00 per Scheme Share represents a discount to the audited consolidated net assets per Share at 31 December 2009 (of HK\$13.45 per Share) of approximately 3.35%.

A description of the main properties of the WPL Group (including those held in Foshan City, the PRC by a company owned 50/50 by China Merchants Property group) is set out in the paragraph headed “Properties of the WPL Group” above. Most of the properties of the WPL Group are not wholly-owned. A substantial proportion of the property portfolio is held through WPSL, WPL’s approximately 75.84% owned subsidiary which is listed in Singapore. The complete property valuation report by Knight Frank is set out in Appendix II to the Scheme Document, to which the attention of the Independent Shareholders is drawn.

As mentioned in the Announcement, a significant portion of WPL’s assets consists of available-for-sale investments, the largest of which is WPL’s approximately 7% interest in Wharf.

In our review of the assets and liabilities of the WPL Group, we have made certain adjustments to the audited net asset figures, as follows:

- (a) the valuation of properties has been updated to 31 March 2010 based on Knight Frank’s report;
- (b) the market value of listed available-for-sale investments has been calculated at the Latest Practicable Date; and
- (c) the 2009 final dividend of HK\$0.08 per Share, which the Independent Shareholders will receive in addition to the Cancellation Price, has been deducted.

These adjustments result in our calculation of the Reassessed NAV of HK\$14.79 per Share. We consider this Reassessed NAV to be the most relevant figure for the Independent Shareholders to consider when assessing the discount of the Cancellation Price to net assets. The Cancellation Price of HK\$13.00 per Scheme Share represents a discount of approximately 12.1% to the Reassessed NAV of HK\$14.79 per Share.

LETTER FROM SOMERLEY

There have not been many recent privatisation proposals of Hong Kong listed property companies. We have listed the proposals we consider comparable in the sub-paragraph headed "Privatisation precedents" under the paragraph headed "Comparisons" above. The cancellation prices offered in such privatisation proposals represented discounts to the relevant companies' respective consolidated adjusted net asset value ranging from 12.3% to 55.5% (with the exception for the reasons stated, of Oxford Properties at a 13.3% premium), compared with a 12.1% discount for the Proposal. In the sub-paragraph headed "Historical discount of market price to consolidated net asset value attributable to the Shareholders" under the paragraph headed "Comparisons", we note that WPL has traded at discounts to consolidated net asset value of approximately 34% to 83% over the last two years. We have also set out in the sub-paragraph headed "Peer comparison" under the paragraph headed "Comparisons" above the current discounts of market prices to their consolidated net asset value of listed Hong Kong property companies of a similar size to WPL. The mean is about 30%. **On all these measures, we consider a discount of 12.1% is favourable to the Independent Shareholders.**

Apart from these two main factors, we have given some weight to the relatively thin trading of the Shares, as set out in the sub-paragraph headed "Turnover" under the paragraph headed "Share price and trading volume" above. This thin trading means that an assured cash exit for the Independent Shareholders at HK\$13.00 per Share is an opportunity not likely, in our view, to re-occur in the foreseeable future. We have also considered the consistent dividend paying record of WPL; however, the exit dividend yield, based on total 2009 dividends of HK\$0.10 per Share and the Cancellation Price of HK\$13.00 per Scheme Share, is relatively low at approximately 0.8%.

OPINION AND ADVICE

Based on the above principal factors and reasons, we consider the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Scheme.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
M. N. Sabine
Chairman

EXPLANATORY STATEMENT

This Explanatory Statement constitutes the statement required under section 166A of the Companies Ordinance.

SCHEME OF ARRANGEMENT FOR CANCELLATION OF THE SCHEME SHARES AND THE PAYMENT OF THE CANCELLATION PRICE

1. INTRODUCTION

On 27 April 2010, the boards of directors of Wheelock and WPL jointly announced that on 19 April 2010 Wheelock requested the Board to put forward the Proposal to Scheme Shareholders for consideration regarding a proposed privatisation of WPL by way of a scheme of arrangement under section 166 of the Companies Ordinance.

The Proposal involves the cancellation of all of the Scheme Shares on the Effective Date. Upon the Scheme becoming effective, WPL will become an indirect wholly-owned subsidiary of Wheelock and the listing of the Shares on the Stock Exchange will be withdrawn.

Implementation of the Proposal will be carried out in accordance with Hong Kong laws, the Takeovers Code and the requirements of the Stock Exchange.

The purpose of this Explanatory Statement is to explain the terms and effect of the Proposal and, in particular, the Scheme and to provide Scheme Shareholders with additional information in relation to the Scheme.

The particular attention of the Scheme Shareholders is drawn to the following sections of this Scheme Document: (1) the letter from the Board set out on pages 10 to 16 of this Scheme Document; (2) the letter from the Independent Board Committee in connection with the Proposal set out on page 17 of this Scheme Document; (3) the letter from Somerley, the independent financial advisor to the Independent Board Committee, set out on pages 15 to 49 of this Scheme Document; and (4) the terms of the Scheme set out on pages 197 to 201 of this Scheme Document.

2. SUMMARY OF THE PROPOSAL

The Proposal will be implemented by way of a scheme of arrangement under section 166 of the Companies Ordinance.

Under the Scheme, the Scheme Shares will be cancelled and, in consideration thereof, each Scheme Shareholder whose name appears in the register of members of WPL at the Scheme Record Date will be entitled to receive the following payment:

For each Scheme Share **HK\$13.00 in cash**

Wheelock has advised that the Cancellation Price will not be revised in the course of the Scheme.

EXPLANATORY STATEMENT

Under the Scheme, the share capital of WPL will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares and, immediately following such reduction, the share capital of WPL will be restored to its former amount by the allotment and issuance at par to Wheelock (or any of its wholly-owned subsidiaries) credited as fully paid of the same number of Shares as is equal to the Scheme Shares cancelled. The reserve created in WPL's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued to Wheelock.

As at the Latest Practicable Date, the authorised share capital of WPL was HK\$600,000,000 divided into 3,000,000,000 Shares and the issued share capital of WPL was 2,069,637,125 Shares. All of the Shares rank pari passu in all respects as regards rights to capital, dividends and voting. As at the Latest Practicable Date, the Scheme Shareholders were interested in 531,138,848 Shares, representing approximately 25.66% of the total issued share capital of WPL.

Under the Scheme, the total consideration payable for the Scheme Shares will be payable by Wheelock. The aggregate amount of cash to be payable by Wheelock for the cancellation of all Scheme Shares is HK\$6,904,805,024 which will be financed by the Facility. While the Wheelock Directors consider that Wheelock will be able to repay amounts that may be drawn under the Facility from the internal resources of Wheelock and/or by refinancing it, for flexibility in managing the financial position of Wheelock, it should be noted it is intended that Wheelock may use dividends to be distributed by WPL through to Wheelock to repay (or prepay before its maturity) part of the amounts that may be outstanding under or payable pursuant to the Facility.

HSBC, the financial advisor to Wheelock in connection with the Proposal, is satisfied that sufficient financial resources are available to Wheelock to implement the Proposal in accordance with its terms.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

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

- (i) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (a) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Shareholders;

EXPLANATORY STATEMENT

- (ii) the passing of a special resolution by a majority of at least three-fourths of the votes cast by the Shareholders present and voting, in person or by proxy, at the EGM to approve and give effect to the cancellation of the Scheme Shares, the reduction of the issued share capital of WPL and immediately thereafter the application of the reserve arising in the books of account of WPL as a result of the said reduction towards paying up in full new Shares which will then be allotted and issued to Wheelock (or any of its wholly-owned subsidiaries) so that the number of new Shares issued would be equal to the number of Scheme Shares cancelled;
- (iii) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of WPL by the High Court under sections 166 and 60, respectively, of the Companies Ordinance;
- (iv) compliance with the procedural requirements of sections 166 and 61 of the Companies Ordinance in relation to the Scheme and the reduction in the issued share capital of WPL respectively;
- (v) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Hong Kong and/ or any other relevant jurisdictions;
- (vi) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or in addition to the requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (vii) there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the WPL Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which as a consequence of the Proposal or the Scheme would result in (in each case to an extent which is material in the context of the WPL Group as a whole and in the context of the Proposal):
 - (a) any monies borrowed by or any other indebtedness (actual or contingent) of any member of the WPL Group being or becoming repayable (or capable of being declared repayable) immediately or earlier than their or its stated maturity date or repayment date;
 - (b) any such agreement, arrangement, licence, permit or instrument (or the rights, liabilities, obligations or interests of any member of the WPL Group thereunder) being terminated or adversely modified (or any material obligation or liability arising or any material action being taken thereunder);
or

EXPLANATORY STATEMENT

- (c) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the WPL Group or any such security (whenever arising) becoming enforceable,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the WPL Group is a party or by which any such member or all or any of its assets may be bound, entitled or subject, would result in any of the events or circumstances as are referred to in sub-paragraphs (a) to (c) of this paragraph (vii) (in each case to an extent which is material in the context of the WPL Group as a whole and in the context of the Proposal);

- (viii) all bank consents and other necessary consents which may be required under any existing contractual obligations of any member of the WPL Group being obtained and remaining in full force and effect without modification (in each case where the failure to obtain such consent is material in the context of the WPL Group as a whole and in the context of the Proposal);

- (ix) 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, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms); and

- (x) since the Announcement Date:

- (a) there having been no adverse change in the business, assets, financial or trading, positions, profits or prospects of any member of the WPL Group (to an extent which is material in the context of the WPL Group taken as a whole or in the context of the Proposal); and

- (b) there not having been instituted or remaining outstanding any litigation, arbitration, proceedings, prosecution or other legal proceedings to which any member of the WPL Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing against any such member (and no investigation by any government or 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, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the WPL Group taken as a whole or in the context of the Proposal.

EXPLANATORY STATEMENT

Wheelock reserves the right to waive Conditions (vii) to (x), either in whole or in respect of any particular matter. In the event that Conditions (v) and (vi) are not fulfilled, Wheelock reserves the right to assess the materiality of such non-fulfilment and to waive the fulfilment of such conditions to the extent it considers appropriate. Conditions (i) to (iv) cannot be waived in any event.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before 31 October 2010 (or such later date as Wheelock and WPL may agree or as the High Court on the application of Wheelock or WPL may allow), failing which the Scheme will lapse. Further announcement(s) will be made giving details of the results of the Court Meeting and the EGM, and if all the resolutions are passed at those Meetings, further announcement(s) will be made on the results of the hearing of the petition for the sanction of the Scheme by the High Court at the Court Meeting, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

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

Shareholders, shareholders of Wheelock and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, shareholders of Wheelock and potential investors are advised to exercise caution when dealing in the Shares or in securities of Wheelock, as appropriate. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional advisor.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL AND THE SCHEME

For Scheme Shareholders

The Cancellation Price represents a premium of approximately 143.90% over the closing price of the Shares of HK\$5.33 as quoted by the Stock Exchange on the Last Trading Date and a discount of approximately 3.35% to the audited consolidated net asset value per Share of approximately HK\$13.45 as at 31 December 2009.

During the 12-month period ended on and including the Announcement Date, the lowest and highest closing prices per Share on the Stock Exchange were HK\$3.01 and HK\$5.76 respectively, with a simple average closing price of HK\$4.81. Over the three-year period ended on the Announcement Date, the lowest and highest closing prices per Share on the Stock Exchange were HK\$1.90 and HK\$10.02 respectively, with a simple average closing price of HK\$5.89.

The Cancellation Price represents a substantial premium of approximately 170.27% and 120.71% over the simple average closing prices referred to above.

EXPLANATORY STATEMENT

Over the three-year period ended on and including the Announcement Date, liquidity in the Shares was restricted to an average daily turnover on the Stock Exchange of HK\$1,321,518 or 233,022 Shares. Such average daily turnover in number of Shares represented only approximately 0.044% of the number of Scheme Shares.

The Shares have habitually been traded at a discount to their attributable net asset value. The closing price of the Shares on the Last Trading Date represented a discount of approximately 60.37% to the audited consolidated net asset value per Share. By contrast, the Cancellation Price is a discount to such net asset value per Share of 3.35%.

Your attention is drawn specifically to the property valuation report from Knight Frank, an independent property valuer, pursuant to Rule 11 of the Takeovers Code providing an updated valuation as at 31 March 2010 of the properties held under or held through subsidiaries, associates or jointly controlled entities of WPL, as set out on pages 127 to 186 of this Scheme Document and disclosure of the reconciliation of the valuation of interests in properties attributable to WPL and its property interests in its consolidated statements of financial position as at 31 December 2009 as set out in paragraph 6 headed "Property Interests and Property Valuation Report" in Appendix I headed "Financial Information on the WPL Group" to this Scheme Document.

Scheme Shareholders should note that a significant portion of WPL's assets consisted of available-for-sale investments based on the audited financial statements of WPL as at 31 December 2009. Scheme Shareholders' attention is drawn specifically to paragraph 7 headed "Available-for-sale Investments" in Appendix I headed "Financial Information on the WPL Group" to this Scheme Document.

Wheelock accordingly considers that the Proposal provides an opportunity for the holders of Scheme Shares to dispose of their Shares and receive cash at a price significantly above the prevailing market price. In light of the low liquidity of the Shares, Wheelock considers that the Proposal also affords the holders of Scheme Shares with the opportunity to realise their investments in WPL as referred to above and, if they so wish, invest the monies received under the Scheme in alternative investments with higher liquidity than the Shares or use them for other purposes.

For WPL

WPL will require substantial funding for its future developments. Without being subject to the requirements relevant to being run as a standalone listed public company, WPL will be able to fund larger property development projects through leveraging Wheelock's greater financial strength, including the latter's access to more competitive financing terms for raising bank borrowings. Additionally, upon becoming an unlisted wholly-owned subsidiary of Wheelock, the provision of intra-group funding from Wheelock will be facilitated. Due to the low liquidity of the Shares and the significant discount to the net asset value per Share of its trading price on the Stock Exchange, the public equity capital market does not provide WPL with a viable funding alternative. In addition, the listing of the Shares on the Stock Exchange requires WPL to bear administrative costs and other ongoing listing expenses notwithstanding that it has not raised any money from the public equity capital market for over 35 years. If these costs and expenses are eliminated, the funds saved could be used for the business operations of WPL.

EXPLANATORY STATEMENT

For Wheelock and Wheelock's shareholders

The Proposal will simplify the structure of the Wheelock Group and will enable Wheelock to eliminate the listing of a subsidiary which has not raised any money from the public equity capital market for over 35 years. The principal activities of Wheelock include, and of WPL comprise, property development and investment. The consolidation of such activities and the operations of Wheelock and WPL is expected to result in more efficient utilisation of resources between Wheelock and WPL and, therefore, the resultant consolidated business is expected to result in a more efficient and cost-effective group structure for Wheelock.

Wheelock considers that increasing its interest in the business of WPL is in the long term interests of Wheelock's shareholders.

5. FUTURE INTENTIONS OF WHEELOCK

Upon the successful privatisation of WPL, it is the intention of Wheelock to maintain the existing business of WPL in the near future. Wheelock has no intention to make any major changes to the WPL Group's existing operational and management structure, to discontinue the employment of the employees of the WPL Group, or to redeploy any fixed assets of the WPL Group after implementation of the Proposal. However, it will continue to assess business opportunities as they arise.

6. COMPARISONS OF VALUE

6.1 Capital value

The Stock Exchange is the principal trading market for the Shares, which are not listed on any other exchange in or outside Hong Kong.

The Cancellation Price represents -

- (i) a discount of approximately 3.35% to the audited consolidated net asset value per Share of approximately HK\$13.45 as at 31 December 2009;

Notes:

- (a) Scheme Shareholders' attention is drawn specifically to the property valuation report from Knight Frank, an independent property valuer, pursuant to Rule 11 of the Takeovers Code providing an updated valuation as at 31 March 2010 of the properties held under or held through subsidiaries, associates or jointly controlled entities of WPL, as set out on pages 127 to 186 of this Scheme Document and disclosure of the reconciliation of valuation of interests in properties attributable to the WPL Group and its property interests in its consolidated statements of the financial position as at 31 December 2009 as set out in paragraph 6 headed "Property Interests and Property Valuation Report" in Appendix I headed "Financial Information on the WPL Group" to this Scheme Document.
- (b) Scheme Shareholders should note that a significant portion of WPL's assets consisted of available-for-sale investments based on the audited financial statements of WPL as at 31 December 2009. Scheme Shareholders' attention is drawn specifically to paragraph 7 headed "Available-for-sale Investments" in Appendix I headed "Financial Information on the WPL Group" to this Scheme Document.

EXPLANATORY STATEMENT

- (c) WPL's net asset value extracted from its audited financial statements is a combination of assets held at historical cost and market value as at 31 December 2009.
- (d) Scheme Shareholders' attention is also drawn specifically to paragraph 4 headed "Assets and reassessed net asset value" in the Letter from Somerley as set out on pages 34 to 38 of this Scheme Document, and in particular the reassessment by Somerley of the adjusted unaudited consolidated net asset value of the WPL Group based on the audited consolidated financial statements of WPL as at 31 December 2009 and the adjustments set out therein, by which Somerley estimates the Cancellation Price represents a discount of approximately 12.1% to its Reassessed NAV (as defined in the Letter from Somerley).
- (ii) a premium of approximately 143.90% over the closing price of the Shares of HK\$5.33 as quoted by the Stock Exchange on the Last Trading Date;
- (iii) a premium of approximately 144.36% over the average closing price of the Shares of approximately HK\$5.32 as quoted by the Stock Exchange for the five full Trading Days up to and including the Last Trading Date;
- (iv) a premium of approximately 162.10% over the average closing price of the Shares of approximately HK\$4.96 as quoted by the Stock Exchange for the 30 full Trading Days up to and including the Last Trading Date;
- (v) a premium of approximately 162.10% over the average closing price of the Shares of approximately HK\$4.96 as quoted by the Stock Exchange for the 90 full Trading Days up to and including the Last Trading Date;
- (vi) a premium of approximately 170.27% over the average closing price of the Shares of approximately HK\$4.81 as quoted by the Stock Exchange for the one year period up to and including the Last Trading Date;
- (vii) a premium of approximately 3.34% over the average closing price of the Shares of HK\$12.58 as quoted by the Stock Exchange on the Latest Practicable Date;
- (viii) a premium of approximately 3.17% over the average closing price of the Shares of approximately HK\$12.60 as quoted by the Stock Exchange for the five full Trading Days up to and including the Latest Practicable Date;
- (ix) a premium of approximately 55.32% over the average closing price of the Shares of approximately HK\$8.37 as quoted by the Stock Exchange for the 30 full Trading Days up to and including the Latest Practicable Date;
- (x) a premium of approximately 114.88% over the average closing price of the Shares of approximately HK\$6.05 as quoted by the Stock Exchange for the 90 full Trading Days up to and including the Latest Practicable Date; and
- (xi) a premium of approximately 142.99% over the average closing price of the Shares of approximately HK\$5.35 as quoted by the Stock Exchange for the one year period up to and including the Latest Practicable Date.

EXPLANATORY STATEMENT

6.2 Highest and lowest closing prices

During the six-month period preceding the Last Trading Date and ended on the Latest Practicable Date, the highest closing price of the Shares was HK\$12.62 on 28 April 2010, 30 April 2010 and 4 May 2010 and the lowest closing price of the Shares was HK\$4.48 on 5 March 2010.

6.3 Net assets

Based on the latest published audited consolidated financial statements of WPL, as at 31 December 2009, the audited consolidated net asset value of WPL was approximately HK\$27,842 million or approximately HK\$13.45 per Share as at the Latest Practicable Date (based on 2,069,637,125 Shares in issue as at the Latest Practicable Date). On that basis, the Cancellation Price represents a discount of approximately 3.35% to the audited consolidated net asset value per Share as at 31 December 2009.

6.4 Earnings

Based on the latest published audited consolidated financial statements of WPL, as at 31 December 2009, the audited consolidated profit of WPL attributable to the Shareholders for the financial year ended 31 December 2009 was approximately HK\$1,458 million, representing earnings of approximately HK\$0.70 per Share as at the Latest Practicable Date (based on 2,069,637,125 Shares in issue as at the Latest Practicable Date).

6.5 Dividends

The Directors have recommended for adoption at the annual general meeting of WPL to be held on 31 May 2010 the payment on 7 June 2010 to Shareholders whose names appear on the register of members of WPL on 31 May 2010 of a final dividend of HK\$0.08 per Share in respect of the financial year ended 31 December 2009. WPL does not expect to declare any other dividend prior to the Effective Date.

7. SCHEME OF ARRANGEMENT UNDER SECTION 166 OF THE COMPANIES ORDINANCE AND THE COURT MEETING

According to Section 166 of the Companies Ordinance, where an arrangement is proposed between a company and its members or any class of them, the High Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the High Court directs.

It is expressly provided in Section 166 of the Companies Ordinance that if a majority in number representing three-fourths in nominal value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting or meetings, as the case may be, summoned as directed by the High Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the High Court, be binding on all members or the class of members, as the case may be, and also on the company.

EXPLANATORY STATEMENT

8. ADDITIONAL REQUIREMENTS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE

In addition to satisfying any requirements under the Companies Ordinance, as summarised above, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (i) the Scheme is approved by at least 75% of the votes attaching to the disinterested Shares (namely, the Shares other than those which are owned or controlled by Wheelock and members of the Wheelock Concert Group) that are cast either in person or by proxy at a duly convened meeting of the holders of the disinterested Shares; and
- (ii) the number of votes cast against the resolution to approve the Scheme at such meeting is not more than 10% of the votes attaching to all disinterested Shares.

9. BINDING EFFECT OF THE SCHEME

Notwithstanding the fact that there may be a dissenting minority, if the Scheme is approved at the Court Meeting in accordance with the requirements of Section 166 of the Companies Ordinance and Rule 2.10 of the Takeovers Code, as described above, and is sanctioned by the High Court and the other Conditions are either fulfilled or (to the extent permitted) waived, then the Scheme will become binding on WPL and all the Scheme Shareholders.

If the Scheme becomes effective:

- (i) all the Scheme Shares will be cancelled, whereupon the issued share capital of WPL shall be reduced from approximately HK\$413.9 million to approximately HK\$307.7 million (assuming that there are no changes to its shareholding structure on or prior to the Effective Date) and all Share certificates representing holdings of those Scheme Shares cancelled shall cease to have effect as evidence of title;
- (ii) the issued share capital of WPL will then be increased back to approximately HK\$413.9 million by the creation of a number of new Shares equal to the number of Scheme Shares cancelled;
- (iii) on the Effective Date, the credit which will arise in WPL's books of account as a result of the said reduction of capital will be applied in paying up in full at par the number of new Shares created (equal to the number of Scheme Shares cancelled) and such new Shares will be allotted and issued, credited as fully paid, to Wheelock or any of its wholly-owned subsidiaries; and
- (iv) Wheelock will pay the Cancellation Price of HK\$13.00 per Scheme Share to the Scheme Shareholders for each Scheme Share held by them on the Scheme Record Date.

EXPLANATORY STATEMENT

10. EFFECTS OF THE PROPOSAL ON THE SHAREHOLDING STRUCTURE OF WPL

The table below sets out the shareholding structure of WPL as at the Latest Practicable Date and immediately upon completion of the Proposal (assuming there are no other changes to WPL's shareholding structure on or prior to the Effective Date):

Shareholders	As at the Latest Practicable Date		Upon completion of the Proposal	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Non Scheme Shares				
Myers Investments Limited (Notes 1 and 2)	1,538,498,277	74.34	1,538,498,277	74.34
Wheelock (Notes 1 and 2)	0	0.00	531,138,848	25.66
Scheme Shares				
Persons acting in concert with Wheelock (other than Myers Investments Limited) (Note 2)	4,513,834	0.22	0	0.00
Other Scheme Shareholders	<u>526,625,014</u>	<u>25.44</u>	<u>0</u>	<u>0.00</u>
Total	<u>2,069,637,125</u>	<u>100.00</u>	<u>2,069,637,125</u>	<u>100.00</u>

Notes:

- (1) Myers Investments Limited is a company incorporated in the British Virgin Islands and is indirectly wholly-owned by Wheelock.
- (2) As at the Latest Practicable Date, the Wheelock Concert Group held 1,543,012,111 Shares, representing approximately 74.56% of the issued Shares.

11. INFORMATION ON WPL

WPL is a company incorporated in Hong Kong with limited liability, the Shares of which have been listed in Hong Kong for more than 60 years. The WPL Group is principally engaged in ownership of properties for development and letting as well as investment holding.

Your attention is drawn to Appendix I headed "Financial Information on the WPL Group", Appendix II headed "Property Valuation Report of WPL" and Appendix III headed "General Information" set out on pages 69 to 195 as appendices to this Scheme Document.

12. INFORMATION ON WHEELOCK

Wheelock is a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange under the stock code 20. The principal activities of the Wheelock Group are ownership of properties for development and letting, investment holding, container terminals as well as communications, media and entertainment.

EXPLANATORY STATEMENT

Wheelock is owned as to 1,095,300,362 shares, representing approximately 53.91% of the issued share capital of Wheelock, by HSBC Trustee (Guernsey) Limited, of which Mr. Peter K. C. Woo is taken, under certain provisions in Part XV of the SFO which are applicable to a director or chief executive of a listed company, to be interested in 995,221,678 shares, representing approximately 48.98% of the issued share capital of Wheelock. In addition, Mr. Peter K. C. Woo is also interested or taken to be interested in 209,712,652 shares, representing approximately 10.32% of the issued share capital of Wheelock, as reported by Mrs. Bessie P. Y. Woo under section 336 of the SFO.

13. SHARE CERTIFICATES, DEALINGS AND LISTING

Upon the Scheme becoming effective, which is currently expected to be on or about Thursday, 22 July 2010, all the Scheme Shares will be cancelled and extinguished, and all the certificates representing the Scheme Shares will accordingly cease to have effect as evidence of title.

WPL will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange conditional upon the approval of the Scheme by the Independent Shareholders at the Court Meeting and the passing of the special resolution to approve the capital reduction arising as a result of the Scheme by the Shareholders at the EGM. The Shareholders will be notified by way of an announcement of the exact date of the Scheme Record Date and the date of the withdrawal of the listing of the Shares on the Stock Exchange.

If the Scheme is not approved or the Proposal otherwise lapses or does not become unconditional for any reason, the listing of the Shares on the Stock Exchange will not be withdrawn.

14. REGISTRATION AND PAYMENT

Assuming that the Scheme Record Date falls on Wednesday, 21 July 2010, it is proposed that the register of members of WPL will be closed from Friday, 16 July 2010 to Wednesday, 21 July 2010 (or such other date as may be notified to Scheme Shareholders by way of an announcement) in order to determine entitlements under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the relevant transfer documentation for their Shares is lodged with the Registrar for registration in their names or in the names of their nominees before the closure of the register of members of WPL. The Registrar is Tricor Tengis Limited which is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

Following the Scheme becoming effective, payment of the Cancellation Price for the Scheme Shares will be made to the Scheme Shareholders whose names appear on the register of members of WPL at 4:00 p.m. on the Scheme Record Date.

In the case of joint holders, payment of the Cancellation Price for the Scheme Shares will be made to the holder of the Shares whose name first appears in respect of such holdings in the register of members of WPL at 4:00 p.m. on the Scheme Record Date.

EXPLANATORY STATEMENT

Cheques in respect of the Cancellation Price payable under the Scheme will be sent out to the holders of Scheme Shares as soon as possible but in any event not later than 10 calendar days after the Effective Date. On the basis that the Scheme becomes effective on or about Thursday, 22 July 2010, cheques for cash entitlements under the Scheme are expected to be despatched on or before Friday, 30 July 2010. In the absence of any specific instructions to the contrary received in writing by the Registrar, cheques for cash entitlements under the Scheme will be sent to the persons entitled thereto at their respective registered addresses on the register of members of WPL or, in the case of joint holders, to the registered address of that joint holder whose name first appears on the register of members of WPL in respect of the joint holding. All such cheques will be sent at the risk of the person(s) entitled thereto and none of Wheelock, WPL, HSBC or any of their respective directors, officers employees or agents will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, Wheelock shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in WPL's name with a licensed bank in Hong Kong selected by WPL.

WPL shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments thereout of the sums, together with interest thereon, to persons who satisfy WPL that they are respectively entitled thereto. On the expiry of six years from the Effective Date, Wheelock shall be released from any further obligation to make any payments under the Scheme and WPL shall thereafter transfer to Wheelock (or its nominees or both) the balance (if any) of the sums then standing to the credit of the deposit account in WPL's name, including accrued interest subject, if applicable, to the deduction of any interest or any withholding tax or other tax or any other deductions required by law and subject to the deduction of any expenses.

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Proposal will be implemented in full in accordance with the terms of the Proposal, without regard to any lien, right of set-off, counterclaim or other analogous right to which Wheelock may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

15. OVERSEAS SHAREHOLDERS

This Scheme Document has been prepared for the purposes of complying with Hong Kong law, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

In so far as those Scheme Shareholders not resident in Hong Kong are concerned, they may be subject to the laws of the jurisdiction in which they reside or are located. Such Scheme Shareholders should inform themselves of and observe any applicable legal, tax and regulatory requirements. It is the responsibility of all overseas Scheme Shareholders to satisfy themselves as to the full observance of the laws and regulations of the relevant

EXPLANATORY STATEMENT

jurisdiction, including the obtaining of any government approval, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

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 Wheelock Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of Wheelock or the shareholders of Wheelock), the Scheme Document will not be despatched to such overseas Shareholders, subject to the grant by the Executive of waivers pursuant to Note 3 to Rule 8 of the Takeovers Code.

The Wheelock Directors have been advised that the matters stated in the preceding paragraph did not apply to any overseas Scheme Shareholders as at the Latest Practicable Date. Further announcement(s) will be made if such matters apply to any overseas Scheme Shareholders.

16. TAXATION

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

The Scheme Shareholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of the Proposal and, in particular, whether the receipt of the Cancellation Price would make such Scheme Shareholders liable to taxation in Hong Kong or in other jurisdictions. It is emphasised that none of WPL, Wheelock, HSBC and Somerley or any of their respective directors, officers, employees, agents or affiliates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

17. COURT MEETING AND EGM

Notices convening the Court Meeting and the EGM to be held at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong on Thursday, 24 June 2010 at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively are set out on pages 202 to 203 and 204 to 206 of this Scheme Document.

In accordance with the direction of the High Court, the Court Meeting will be convened for the purpose of considering and, if thought fit, passing the appropriate resolution to approve the Scheme (with or without modifications). The Scheme will be subject to the approval by the Independent Shareholders at the Court Meeting in the manner referred to in paragraph 3 headed "Conditions of the Proposal and the Scheme" above in this Explanatory Statement.

EXPLANATORY STATEMENT

Immediately following the Court Meeting, the EGM will be convened for the purpose of considering and, if thought fit, passing a special resolution to approve, inter alia, the capital reduction in connection with the Scheme. The special resolution will be passed provided that it is approved by a majority of at least three-fourths of the votes cast by Shareholders present and voting, in person or by proxy, at the EGM. All Shareholders will be entitled to attend and vote on such special resolution at the EGM.

As at the Latest Practicable Date, Wheelock, through its wholly-owned subsidiary Myers Investments Limited, was interested in aggregate in 1,538,498,277 Shares (representing approximately 74.34% of the issued share capital of WPL). As at the Latest Practicable Date, parties acting in concert with Wheelock (other than Myers Investments Limited) owned or controlled 4,513,834 Shares (being Shares proprietarily held by or under the discretionary investment management of members of the HSBC group) representing approximately 0.22% of the issued share capital of WPL. As the Shares owned by Wheelock and its wholly-owned subsidiaries do not form part of the Scheme Shares, such Shares will not be voted at the Court Meeting for approval of the Scheme. Further, only Independent Shareholders (which, for the avoidance of doubt, includes any member of the HSBC group which is a Registered Owner of Scheme Shares held on behalf of Beneficial Owners where the Beneficial Owners (i) control the voting rights attaching to those Shares, (ii) give instructions as to how such Shares are to be voted, and (iii) are not Wheelock or persons acting in concert with Wheelock) may vote at the Court Meeting.

However, Wheelock has indicated that, if the Scheme is approved at the Court Meeting, it and its wholly-owned subsidiaries which are Shareholders (as at the Latest Practicable Date, all interests of Wheelock in the share capital of WPL are held through its wholly-owned subsidiary Myers Investments Limited) will vote in favour of the special resolution to be proposed at the EGM to approve and give effect to, inter alia, the cancellation of the Scheme Shares and application of the reserve arising in the books of account of WPL as a result of the reduction of capital towards paying up in full such number of new Shares which are then allotted and issued to Wheelock (or any of its wholly-owned subsidiaries) as is equal to the number of Scheme Shares cancelled.

No irrevocable commitment to vote in favour of the Proposal at the Court Meeting or the EGM has been given to Wheelock by any Scheme Shareholders.

18. PROCEDURES FOR DEMANDING A POLL AT THE EGM

In accordance with article 74 of the articles of association of WPL, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll):

- (a) by the chairman of the meeting; or
- (b) by at least five Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or

EXPLANATORY STATEMENT

- (c) by any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid-up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A poll shall be taken at such time (being not later than thirty days after the date of the demand) and in such manner (including the use of ballot or voting papers or tickets) as the chairman of the EGM may appoint. On a poll, every Shareholder present at the EGM shall be entitled to one vote for every fully paid-up Share of which he is the holder. The result of such poll shall be deemed for all purposes to be the resolution of the meeting at which the poll was so directed or demanded.

At the EGM, the chairman of the EGM will exercise his power under article 74 of the articles of association of WPL to put the special resolution set out in the notice convening the EGM to the vote by way of poll as required under Rule 13.39(4) of the Listing Rules.

19. ACTIONS TO BE TAKEN

19.1 Actions to be taken by Shareholders

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with this Scheme Document.

Whether or not you are able to attend the Court Meeting or the EGM in person, if you are an Independent Shareholder, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly encouraged to complete and sign the enclosed white form of proxy in respect of the EGM, in accordance with the instructions printed respectively on them and deposit them, together with the power of attorney or other authority (if any), with the Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible, but in any case not later than the following respective times. In order to be valid, the pink form of proxy for use at the Court Meeting should be deposited not later than 10:00 a.m on Tuesday, 22 June 2010. In order to be valid, the white form of proxy for use at the EGM must be deposited not later than 10:30 a.m on Tuesday, 22 June 2010.

The completion and return of a form of proxy for each of the Court Meeting or the EGM will not preclude you from attending and voting in person at the Court Meeting or the EGM. In such event, the returned form of proxy will be deemed to have been revoked.

EXPLANATORY STATEMENT

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of such Court Meeting and/or EGM. You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

If a Registered Owner or Beneficial Owner in Hong Kong has questions concerning administrative matters, such as dates, documentation and procedures relating to the Proposal, please call the Registrar of WPL, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong at (852) 2980 1333 (general line) between 9:00 a.m. and 6:00 p.m. Monday to Friday. This helpline cannot and will not provide advice on the merits of the Proposal or the Scheme or give financial or legal advice.

For the purpose of determining the entitlements of Independent Shareholders to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of WPL will be closed from Tuesday, 22 June 2010 to Thursday 24 June 2010 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant Share certificates must be lodged with Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 21 June 2010.

An announcement will be made by WPL in relation to the results of the Court Meeting and the EGM, and if all the resolutions are passed at those meetings, further announcement(s) will be made in relation to the results of the hearing of the petition for the sanction of the Scheme by the High Court, the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange.

19.2 Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner or deposited in CCASS

No person shall be recognised by WPL as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend the Court Meeting and/or the EGM personally, you should contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and for such purpose the Registered Owner may appoint you as its proxy.

EXPLANATORY STATEMENT

Alternatively, if you are a Beneficial Owner who wishes to attend the Court Meeting and/or the EGM personally, you may arrange for some or all of your Shares to be transferred into your own name.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of WPL.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the Court Meeting or the EGM. In such event, the returned form of proxy will be deemed to have been revoked.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are a person admitted to participate in CCASS as an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS participant regarding voting instructions to be given to such persons, or alternatively to arrange for some or all of such Shares to be withdrawn from CCASS and transferred into your own name, if you wish to vote in respect of the Scheme. The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the "General Rules of CCASS" and the "CCASS Operational Procedures" in effect from time to time.

20. COSTS OF THE SCHEME

The costs of the Scheme and of its implementation to WPL are expected to amount to approximately HK\$12 million. These primarily consist of fees for financial advisors, legal advisors, accounting, printing and other related charges.

All the costs, charges and expenses of and incidental to the Scheme and the costs of carrying out the Scheme shall be borne by Wheelock.

21. FURTHER INFORMATION

Further information in relation to the Proposal is set out in the appendices to this Scheme Document, all of which form part of this Explanatory Statement.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of Wheelock, WPL, HSBC, Somerley nor any of their respective directors, officers, employees, agents, affiliates or any persons involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

EXPLANATORY STATEMENT

22. LANGUAGE

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language.

23. RECOMMENDATIONS

Your attention is drawn to the following:

- (a) the paragraph headed “Recommendation” in the “Letter from the Board” set out on page 15 of this Scheme Document;
- (b) the letter from the Independent Board Committee set out on page 17 of this Scheme Document; and
- (c) the letter from Somerley to the Independent Board Committee set out in pages 18 to 49 of this Scheme Document.

1. FINANCIAL SUMMARY

The financial information for the annual results of the WPL Group for the year ended 31 March 2007, nine months ended 31 December 2007, year ended 31 December 2008 and year ended 31 December 2009 have been extracted from the respective published audited financial statements of the WPL Group. KPMG, the auditors of the WPL Group, have expressed an unqualified opinion on those financial statements in their reports dated 6 June 2007, 18 March 2008, 17 March 2009 and 16 March 2010 for the year ended 31 March 2007, nine months ended 31 December 2007, year ended 31 December 2008 and year ended 31 December 2009, respectively.

	Year ended 31 December 2009 <i>HK\$million</i>	Year ended 31 December 2008 <i>HK\$million</i>	Period from 1 April 2007 to 31 December 2007 <i>HK\$million</i>	Year ended 31 March 2007 <i>HK\$million</i>
Turnover	1,201	6,269	840	862
Direct costs and operating expenses	(336)	(4,373)	(246)	(154)
Selling and marketing expenses	(44)	(13)	(8)	(6)
Administrative and corporate expenses	(130)	(116)	(112)	(148)
Operating profit	691	1,767	474	554
Profit on disposal of investment properties	126	–	–	119
Increase in fair value of investment properties	818	527	1,446	406
Other net income/(loss)	91	(73)	123	33
Net other (charge)/credit	(124)	(1,105)	–	23
	1,602	1,116	2,043	1,135
Finance costs	(3)	(12)	(16)	(72)
Share of results after tax of associates	90	(71)	96	176
Profit before taxation	1,689	1,033	2,123	1,239
Income tax	(50)	(27)	(329)	(66)
	1,639	1,006	1,794	1,173
Discontinued operation:				
Profit for the year/period	–	–	–	58
Net profit on disposal of subsidiaries	–	–	–	475
Profit for the year/period	<u>1,639</u>	<u>1,006</u>	<u>1,794</u>	<u>1,706</u>

	Year ended 31 December 2009 <i>HK\$million</i>	Year ended 31 December 2008 <i>HK\$million</i>	Period from 1 April 2007 to 31 December 2007 <i>HK\$million</i>	Year ended 31 March 2007 <i>HK\$million</i>
Profit attributable to:				
Equity Shareholders	1,458	816	1,540	1,450
Minority interests	181	190	254	256
	<u>1,639</u>	<u>1,006</u>	<u>1,794</u>	<u>1,706</u>
Dividends attributable to equity Shareholders				
Interim dividend declared	41	41	41	41
Final dividend proposed	166	166	166	166
	<u>207</u>	<u>207</u>	<u>207</u>	<u>207</u>
Earnings per Share				
Continuing operations	HK\$0.70	HK\$0.39	HK\$0.74	HK\$0.51
Discontinued operations	–	–	–	HK\$0.19
	<u>HK\$0.70</u>	<u>HK\$0.39</u>	<u>HK\$0.74</u>	<u>HK\$0.70</u>
Dividends per Share	<u>HK\$0.10</u>	<u>HK\$0.10</u>	<u>HK\$0.10</u>	<u>HK\$0.10</u>

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE WPL GROUP FOR THE YEAR ENDED 31 DECEMBER 2009

Set out below is the financial information on the WPL Group as extracted from the published audited financial statements of the WPL Group for the year ended 31 December 2009.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

		2009	2008
	<i>Note</i>	<i>HK\$million</i>	<i>HK\$million</i>
Turnover	1	1,201	6,269
Direct costs and operating expenses		(336)	(4,373)
Selling and marketing expenses		(44)	(13)
Administrative and corporate expenses		(130)	(116)
Operating profit	1 & 2	691	1,767
Profit on disposal of an investment property	3	126	–
Increase in fair value of investment properties	12	818	527
Other net income/(loss)	4	91	(73)
Net other charge	5	(124)	(1,105)
		1,602	1,116
Finance costs	6	(3)	(12)
Share of results after tax of associates	7	90	(71)
Profit before taxation		1,689	1,033
Income tax	8	(50)	(27)
Profit for the year		<u>1,639</u>	<u>1,006</u>
Profit attributable to:			
Equity Shareholders	9	1,458	816
Minority interests		181	190
		<u>1,639</u>	<u>1,006</u>
Earnings per Share – basic and diluted	10	<u>HK\$0.70</u>	<u>HK\$0.39</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Profit for the year	<u>1,639</u>	<u>1,006</u>
Other comprehensive income/(expense), net of tax, for the year		
Exchange difference on translation of financial statements of:		
– subsidiaries	261	(95)
– associates	2	65
Net movement in the available-for-sale investment revaluation reserves:	6,435	(5,429)
Changes in fair value recognised during the year	6,323	(6,657)
Reclassification adjustments transferred to income statement:		
– for impairment losses	124	1,105
– gain on disposal	(12)	(91)
Reversal of deferred tax relating to revaluation gains	–	214
Other comprehensive income/(expense) for the year	<u>6,698</u>	<u>(5,459)</u>
Total comprehensive income/(expense) for the year	<u><u>8,337</u></u>	<u><u>(4,453)</u></u>
Total comprehensive income/(expense) attributable to:		
Equity Shareholders	7,803	(4,421)
Minority interests	<u>534</u>	<u>(32)</u>
	<u><u>8,337</u></u>	<u><u>(4,453)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	<i>Note</i>	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>
Non-current assets			
Investment properties		8,303	7,478
Other property, plant and equipment		<u>6</u>	<u>676</u>
Total fixed assets	<i>12</i>	8,309	8,154
Interest in associates	<i>14</i>	1,360	1,480
Available-for-sale investments	<i>15</i>	12,071	5,643
Deferred tax assets	<i>23</i>	66	101
Deferred debtors	<i>16</i>	<u>9</u>	<u>12</u>
		<u>21,815</u>	<u>15,390</u>
Current assets			
Properties under development for sale	<i>17</i>	7,514	6,889
Properties held for sale	<i>17</i>	185	102
Trade and other receivables	<i>18</i>	616	850
Held-to-maturity investments	<i>15</i>	15	–
Bank deposits and cash	<i>19</i>	<u>6,969</u>	<u>5,593</u>
		<u>15,299</u>	<u>13,434</u>
Current liabilities			
Trade and other payables	<i>20</i>	(699)	(744)
Bank loans	<i>21</i>	(721)	(512)
Deposits from sale of properties	<i>22</i>	(3,617)	(2,208)
Amounts due to fellow subsidiaries		(65)	(40)
Taxation payable	<i>8(c)</i>	<u>(33)</u>	<u>(314)</u>
		<u>(5,135)</u>	<u>(3,818)</u>
Net current assets		<u>10,164</u>	<u>9,616</u>
Total assets less current liabilities		<u>31,979</u>	<u>25,006</u>
Non-current liabilities			
Bank loans	<i>21</i>	(569)	(1,602)
Deferred tax liabilities	<i>23</i>	<u>(659)</u>	<u>(688)</u>
		<u>(1,228)</u>	<u>(2,290)</u>
NET ASSETS		<u>30,751</u>	<u>22,716</u>
Capital and reserves			
Share capital	<i>24</i>	414	414
Reserves		<u>27,428</u>	<u>19,832</u>
Shareholders' equity		27,842	20,246
Minority interests		<u>2,909</u>	<u>2,470</u>
TOTAL EQUITY		<u>30,751</u>	<u>22,716</u>

COMPANY STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Note	2009 HK\$million	2008 HK\$million
Non-current assets			
Interest in subsidiaries	13	1,837	1,816
Current liabilities			
Trade and other payables		(4)	(4)
NET ASSETS		<u>1,833</u>	<u>1,812</u>
Capital and reserves			
Share capital	24	414	414
Reserves		1,419	1,398
SHAREHOLDERS' EQUITY	25(b)	<u>1,833</u>	<u>1,812</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Shareholders' equity						Total equity HK\$million
	Share capital HK\$million	Investment revaluation reserves HK\$million	Exchange and other reserves* HK\$million	Revenue reserves HK\$million	Total HK\$million	Minority interests HK\$million	
At 1 January 2009	414	462	980	18,390	20,246	2,470	22,716
Total comprehensive income for the year	–	6,148	197	1,458	7,803	534	8,337
Final dividend paid in respect of 2008 (Note 11)	–	–	–	(166)	(166)	–	(166)
Interim dividend paid in respect of 2009 (Note 11)	–	–	–	(41)	(41)	–	(41)
Dividends paid to minority interests	–	–	–	–	–	(95)	(95)
At 31 December 2009	<u>414</u>	<u>6,610</u>	<u>1,177</u>	<u>19,641</u>	<u>27,842</u>	<u>2,909</u>	<u>30,751</u>
At 1 January 2008	414	5,686	993	17,781	24,874	2,596	27,470
Total comprehensive expense for the year	–	(5,224)	(13)	816	(4,421)	(32)	(4,453)
Final dividend paid in respect of 2007	–	–	–	(166)	(166)	–	(166)
Interim dividend paid in respect of 2008 (Note 11)	–	–	–	(41)	(41)	–	(41)
Dividends paid to minority interests	–	–	–	–	–	(94)	(94)
At 31 December 2008	<u>414</u>	<u>462</u>	<u>980</u>	<u>18,390</u>	<u>20,246</u>	<u>2,470</u>	<u>22,716</u>

* Included in exchange and other reserves is capital redemption reserve of HK\$5 million (2008: HK\$5 million) and capital reserves of HK\$608 million (2008: HK\$608 million).

CONSOLIDATED STATEMENT OF CASH FLOWS*For the year ended 31 December 2009*

		2009	2008
	<i>Note</i>	<i>HK\$million</i>	<i>HK\$million</i>
Cash generated from operations	<i>(a)</i>	1,513	1,986
Interest received		11	38
Interest paid		(16)	(43)
Dividends received from listed investments		200	233
Dividends received from associates		81	77
Hong Kong profits tax paid		(21)	(27)
Overseas profits tax paid		(257)	(14)
Net cash generated from operating activities		<u>1,511</u>	<u>2,250</u>
Investing activities			
Net proceeds from disposal of a subsidiary	<i>(b)</i>	923	–
Proceeds from disposal of available-for-sale investments		134	302
Proceeds from disposal of properties		–	121
Purchase of available-for-sale investments		(165)	(881)
Purchase of held-to-maturity investments		(15)	–
Purchase of fixed assets		(68)	(73)
Decrease in deferred debtors		3	3
Net decrease/(increase) in interest in associates		131	(484)
Placing of pledged deposits		–	(59)
Net cash generated from/(used in) investing activities		<u>943</u>	<u>(1,071)</u>
Financing activities			
Repayment of bank loans		(897)	(629)
Drawdown of bank loans		22	29
Dividends paid to equity Shareholders		(207)	(248)
Dividends paid to minority Shareholders		(95)	(94)
Net cash used in financing activities		<u>(1,177)</u>	<u>(942)</u>
Net increase in cash and cash equivalents		1,277	237
Cash and cash equivalents at 1 January		5,513	5,293
Effect of foreign exchange rate changes		97	(17)
Cash and cash equivalents at 31 December	<i>(c)</i>	<u><u>6,887</u></u>	<u><u>5,513</u></u>

(a) Note to the consolidated statement of cash flows

Reconciliation of profit before taxation to cash generated from operations

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Profit before taxation	1,689	1,033
Adjustments for:		
Share of results after tax of associates	(90)	71
Interest income	(12)	(38)
Interest expenses	3	12
Depreciation	2	1
Dividend income from listed investments	(200)	(233)
Net (gain)/loss on disposal of available-for-sale investments	(72)	2
Profit on disposal of a subsidiary (<i>Note b</i>)	(126)	–
Increase in fair value of investment properties	(818)	(527)
Impairment losses on available-for-sale investments	124	1,105
Net profit on disposal of properties	–	(19)
Operating profit before working capital changes	500	1,407
Increase in properties under development for sale	(1,007)	(1,045)
Decrease in properties held for sale	312	4,266
Decrease/(increase) in trade and other receivables	226	(521)
Increase in amounts due to fellow subsidiaries	25	6
(Decrease)/increase in trade and other payables	(29)	172
Increase/(decrease) in deposits from sale of properties	1,409	(2,264)
Exchange differences on working capital changes	77	(35)
Cash generated from operations	<u>1,513</u>	<u>1,986</u>

(b) Net proceeds from disposal of a subsidiary

The cash flow and the net assets of the subsidiary was as follows:

	2009
	<i>HK\$million</i>
Investment property	871
Current assets	8
Current liabilities	(22)
Deferred tax liabilities	<u>(59)</u>
Net assets disposed of	798
Profit on disposal of an investment property	<u>126</u>
Net proceeds received	<u>924</u>
Satisfied by:	
Cash received by the WPL Group, net of expenses	924
Less: Cash disposed of	<u>(1)</u>
	<u>923</u>

(c) Cash and cash equivalents

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Bank deposits and cash in the consolidated statement of financial position (<i>Note 19</i>)	6,969	5,593
Less: Pledged bank deposits	<u>(82)</u>	<u>(80)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>6,887</u></u>	<u><u>5,513</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT INFORMATION

The WPL Group manages its diversified businesses according to the nature of services and products provided. Management has determined three reportable operating segments for measuring performance and allocating resources. The segments are property development, property investment and investment and others. No operating segments have been aggregated to form the following reportable segments.

Property development segment encompasses activities relating to the acquisition, development, design, construction, sale and marketing of the WPL Group's trading properties primarily in Hong Kong, Singapore and China.

Property investment segment includes leasing of the WPL Group's investment properties, which primarily consist of retail and office properties in Hong Kong and Singapore.

Investment and others segment includes activities for managing the WPL Group's corporate assets and liabilities, available-for-sale investments, financial instruments and other treasury operations.

Management evaluates performance primarily based on operating profit as well as the equity share of results of associates of each segment.

Segment assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of income tax assets.

(a) Analysis of segment results

Year ended	Turnover HK\$million	Operating profit HK\$million	Profit on disposal of an investment property HK\$million	Increase in fair value of investment properties HK\$million	Other net income/ (loss) HK\$million	Net other charge HK\$million	Finance costs HK\$million	Associates HK\$million	Profit before taxation HK\$million
31 December 2009									
Property development	568	235	-	-	-	-	-	90	325
Hong Kong	568	203	-	-	-	-	-	70	273
Singapore	-	32	-	-	-	-	-	-	32
China	-	-	-	-	-	-	-	20	20
Property investment	421	328	126	818	-	-	(3)	-	1,269
Hong Kong	183	132	126	136	-	-	-	-	394
Singapore	238	196	-	682	-	-	(3)	-	875
Investment and others	212	187	-	-	91	(124)	-	-	154
Segment total	1,201	750	126	818	91	(124)	(3)	90	1,748
Corporate expenses	-	(59)	-	-	-	-	-	-	(59)
WPL Group total	1,201	691	126	818	91	(124)	(3)	90	1,689
31 December 2008									
Property development	5,614	1,323	-	-	-	-	-	(71)	1,252
Hong Kong	206	51	-	-	-	-	-	43	94
Singapore	5,408	1,272	-	-	-	-	-	-	1,272
China	-	-	-	-	-	-	-	(114)	(114)
Property investment	384	269	-	527	-	-	(12)	-	784
Hong Kong	176	119	-	48	-	-	-	-	167
Singapore	208	150	-	479	-	-	(12)	-	617
Investment and others	271	236	-	-	(73)	(1,105)	-	-	(942)
Segment total	6,269	1,828	-	527	(73)	(1,105)	(12)	(71)	1,094
Corporate expenses	-	(61)	-	-	-	-	-	-	(61)
WPL Group total	6,269	1,767	-	527	(73)	(1,105)	(12)	(71)	1,033

(b) Analysis of segment assets

	Total assets	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Property development	8,240	7,827
Hong Kong	2,506	2,172
Singapore	5,734	5,655
Property investment	8,364	8,165
Hong Kong	2,498	3,226
Singapore	5,866	4,939
Investment and others	19,084	11,251
Segment assets	35,688	27,243
Associates (property development)	1,360	1,480
Unallocated item	66	101
WPL Group total	<u>37,114</u>	<u>28,824</u>

Unallocated item comprises deferred tax assets.

(c) Geographical information

	Revenue		Operating profit	
	2009	2008	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>
Hong Kong	909	558	448	297
Singapore	292	5,711	243	1,470
WPL Group total	<u>1,201</u>	<u>6,269</u>	<u>691</u>	<u>1,767</u>

	Specified non-current assets		Total assets	
	2009	2008	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>
Hong Kong	2,576	3,282	16,715	11,096
Singapore	5,816	4,934	19,113	16,298
China	1,286	1,430	1,286	1,430
WPL Group total	<u>9,678</u>	<u>9,646</u>	<u>37,114</u>	<u>28,824</u>

Specified non-current assets represent non-current assets other than deferred tax assets and available-for-sale investments.

During the year ended 31 December 2009, the WPL Group incurred capital expenditure of HK\$68 million (2008: HK\$73 million). The WPL Group has no significant depreciation and amortisation. Interest income of HK\$12 million (2008: HK\$38 million) during the year pertained to the Investment and others segment.

2. OPERATING PROFIT

(a) Operating profit

	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>
Operating profit is arrived at after charging/(crediting):		
Staff costs, including contributions to defined contribution retirement schemes of HK\$2 million (2008: HK\$2 million)	45	50
Cost of trading properties sold during the year	275	4,270
Depreciation	2	1
Auditors' remuneration:		
Audit services	3	3
Other services	1	1
Rental income from operating leases less outgoings	(337)	(280)
Dividend income from listed investments	(200)	(233)
Interest income	(12)	(38)
	<u> </u>	<u> </u>

In addition to the above staff costs charged directly to the consolidated income statement, staff costs of HK\$28 million (2008: HK\$29 million) were capitalised as part of the costs of properties under development for sale.

(b) Directors' emoluments

Directors' emoluments, all in the form of Directors' fees, paid/payable to the Directors in respect of the year ended 31 December 2009 are as follows:

	2009 <i>HK\$000</i>	2008 <i>HK\$000</i>
Board of Directors		
Peter K C Woo	56	64
Joseph M K Chow	60 ⁽ⁱⁱ⁾	71
Gonzaga W J Li	40	48
T Y Ng	40	48
Paul Y C Tsui	56	64
Ricky K Y Wong	40	48
Independent Non-executive Directors		
Herald L F Lau	60 ⁽ⁱⁱ⁾	71
Roger K H Luk	40	34
Glenn S Yee	60 ⁽ⁱⁱ⁾	71
Past Director		
David T C Lie-A-Cheong	—	13
	<u> </u>	<u> </u>
	<u>452</u>	<u>532</u>

Notes:

- (i) Except the above Directors' fees, there were no other emoluments paid/payable to, nor were there any salaries, housing or other allowances, discretionary bonuses, benefits in kind, contributions to pension scheme, compensation for loss of office and/or inducement for joining the WPL Group paid/payable to the Directors in respect of the years ended 31 December 2009 and 2008.
- (ii) Includes Audit Committee Member's fee for the year ended 31 December 2009 of HK\$20,000 (2008: HK\$23,750) received/receivable by each of the relevant Directors.

(c) Five highest paid employees

Set out below are analyses of the emoluments (excluding amounts paid or payable by way of commissions on sales generated by the employees concerned) for the year ended 31 December 2009 of the five highest paid employees of the WPL Group, none of whom is a Director.

(i) Aggregate emoluments

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Basic salaries, housing and other allowances, and benefits in kind	15	13
Discretionary bonuses and/or performance related bonuses	21	23
	<u>36</u>	<u>36</u>

(ii) Bandings

	2009	2008
	<i>Number</i>	<i>Number</i>
<i>Bands (in HK\$)</i>		
\$1,000,001 – \$1,500,000	1	1
\$2,000,001 – \$2,500,000	1	–
\$2,500,001 – \$3,000,000	1	2
\$3,500,001 – \$4,000,000	1	–
\$4,000,001 – \$4,500,000	–	1
\$23,500,001 – \$24,000,000	–	1
\$25,500,001 – \$26,000,000	1	–
	<u>5</u>	<u>5</u>

3. PROFIT ON DISPOSAL OF AN INVESTMENT PROPERTY

In December 2009, the WPL Group disposed of Fitfort for HK\$935 million, realising a profit on disposal of HK\$126 million.

4. OTHER NET INCOME/(LOSS)

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Net profit/(loss) on disposal of available-for-sale investments	72	(2)
Net gain/(loss) on forward foreign exchange contracts	19	(96)
Others	–	25
	<u>91</u>	<u>(73)</u>

Included in the net profit/(loss) on disposal of available-for-sale investments is a net revaluation surplus, before deduction of minority interests, of HK\$12 million (2008: HK\$91 million) transferred from the investment revaluation reserves.

5. NET OTHER CHARGE

The net other charge of HK\$124 million (2008: HK\$1,105 million) represents the further impairment provision against available-for-sale investments in SC Global Developments Ltd (“SC Global”) and Hotel Properties Limited (“HPL”), made by WPSL.

6. FINANCE COSTS

	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>
Interest on bank loans and overdrafts wholly repayable within five years	16	43
Other finance costs	8	4
	<u>24</u>	<u>47</u>
Less: Amount capitalised	(21)	(35)
	<u>3</u>	<u>12</u>

- (a) Interest was capitalised at an average annual rate of approximately 1.0% (2008: 1.7%).
- (b) Total interest costs above are in respect of interest bearing borrowings that are stated at amortised cost.

7. SHARE OF RESULTS AFTER TAX OF ASSOCIATES

Share of profits of associates amounted to HK\$90 million (2008: loss of HK\$71 million), comprising attributable profits mainly arising from sales of Bellagio units and property units in Foshan undertaken by associates. Included in the share of losses of associates in respect of the previous financial year is the WPL Group's share of impairment provision of HK\$103 million for a China project undertaken by an associate.

8. INCOME TAX

Taxation charged to the consolidated income statement represents:

	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>
<i>Current income tax</i>		
Hong Kong profits tax	20	20
Overseas taxation	35	244
Overprovision in respect of prior years (<i>Note 8e</i>)	(63)	(210)
	<u>(8)</u>	<u>54</u>
<i>Deferred tax (Note 23)</i>		
Change in fair value of investment properties	25	90
Origination and reversal of temporary differences	52	7
Effect of change in tax rate	(19)	(20)
Benefit of previously unrecognised tax losses now recognised (<i>Note 8e</i>)	–	(104)
	<u>58</u>	<u>(27)</u>
	<u>50</u>	<u>27</u>

- (a) The provisions for Hong Kong and Singapore profits taxes are based on the profit for the year as adjusted for tax purposes at the rates of 16.5% (2008: 16.5%) and 17% (2008: 18%) respectively.

In 2009, the Singapore Government enacted a reduction in the corporate income tax rate from 18% to 17% for the fiscal year 2009.

- (b) Other overseas taxation is calculated at rates of tax applicable in countries in which the WPL Group is assessed for tax.
- (c) The taxation payable in the consolidated statement of financial position is expected to be settled within one year.
- (d) Tax attributable to associates for the year ended 31 December 2009 of HK\$18 million (2008: HK\$7 million) is included in the share of results after tax of the associates.

- (e) Tax overprovision in 2008 was mainly attributable to WPSL's write-back of the tax provided on the profit on disposal of Hamptons Group Limited following the ruling given by the Inland Revenue Authority of Singapore ("IRAS") that such profit was capital in nature and the recognition of deferred tax assets of HK\$104 million in respect of the tax losses agreed by the IRAS.
- (f) Reconciliation between the actual total tax charge and profit before taxation at applicable tax rates:

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Profit before taxation	<u>1,689</u>	<u>1,033</u>
Notional tax on profit before taxation calculated at applicable tax rates	286	202
Notional tax on share of results after tax of associates	(18)	(7)
Tax effect of non-deductible expenses	34	224
Tax effect of non-taxable income	(188)	(56)
Tax effect of tax losses not recognised	1	24
Tax effect of prior year's unrecognised tax losses utilised	(33)	(26)
Tax effect of previously unrecognised tax losses now recognised	–	(104)
Effect of change in tax rate on deferred tax balances	(19)	(20)
Overprovision in respect of prior years	<u>(13)</u>	<u>(210)</u>
Actual total tax charge	<u>50</u>	<u>27</u>

9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS

Profit attributable to equity Shareholders for the year is dealt with in the financial statements of WPL to the extent of a profit of HK\$228 million (2008: HK\$9 million).

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per Share is based on profit attributable to equity Shareholders for the year of HK\$1,458 million (2008: HK\$816 million) and 2,070 million ordinary Shares in issue throughout the years ended 31 December 2009 and 2008.

There were no potential dilutive ordinary Shares in existence during the years ended 31 December 2009 and 2008, and hence the diluted earnings per Share is the same as the basic earnings per Share.

11. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Interim dividend declared and paid of 2.0 cents (2008: 2.0 cents) per Share	41	41
Final dividend of 8.0 cents (2008: 8.0 cents) per Share proposed after the reporting date	<u>166</u>	<u>166</u>
	<u>207</u>	<u>207</u>

- (a) The proposed final dividend after the end of reporting period date ("the reporting date") has not been recognised as a liability at the reporting date.
- (b) The final dividend of HK\$166 million for year ended 31 December 2008 was approved and paid in 2009.

12. FIXED ASSETS

	Investment properties HK\$million	Investment property under development HK\$million	Property under development HK\$million	Other properties/ fixed assets HK\$million	Total HK\$million
WPL Group					
(a) Cost or valuation					
At 1 January 2008	6,964	–	622	104	7,690
Exchange differences	(21)	–	(3)	(1)	(25)
Additions	16	–	51	6	73
Disposals	(8)	–	–	(95)	(103)
Revaluation surplus	527	–	–	–	527
At 31 December 2008 and 1 January 2009	7,478	–	670	14	8,162
Exchange differences	103	38	–	1	142
Additions	20	47	–	1	68
Reclassification (note e)	–	670	(670)	–	–
Disposals	(871)	–	–	(1)	(872)
Revaluation surplus	149	669	–	–	818
At 31 December 2009	<u>6,879</u>	<u>1,424</u>	<u>–</u>	<u>15</u>	<u>8,318</u>
Accumulated depreciation					
At 1 January 2008	–	–	–	8	8
Charge for the year	–	–	–	1	1
Written back on disposals	–	–	–	(1)	(1)
At 31 December 2008 and 1 January 2009	–	–	–	8	8
Charge for the year	–	–	–	2	2
Written back on disposals	–	–	–	(1)	(1)
At 31 December 2009	<u>–</u>	<u>–</u>	<u>–</u>	<u>9</u>	<u>9</u>
Net book value					
At 31 December 2009	<u>6,879</u>	<u>1,424</u>	<u>–</u>	<u>6</u>	<u>8,309</u>
At 31 December 2008	<u>7,478</u>	<u>–</u>	<u>670</u>	<u>6</u>	<u>8,154</u>
(b) The analysis of cost or valuation of the above assets is as follows:					
2009 valuation	6,879	1,424	–	–	8,303
At cost	–	–	–	15	15
	<u>6,879</u>	<u>1,424</u>	<u>–</u>	<u>15</u>	<u>8,318</u>
2008 valuation	7,478	–	–	–	7,478
At cost	–	–	670	14	684
	<u>7,478</u>	<u>–</u>	<u>670</u>	<u>14</u>	<u>8,162</u>

(c) Tenure of title to properties:

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Investment properties		
Held in Hong Kong – Long lease	2,493	3,220
Held outside Hong Kong – Long lease	4,386	4,258
	<u>6,879</u>	<u>7,478</u>
Investment property under development held outside Hong Kong – Freehold	1,424	–
Property under development held outside Hong Kong – Freehold	–	670

(d) Properties revaluation

The WPL Group's investment properties in Hong Kong have been revalued as at 31 December 2009 by Knight Frank Petty Limited, and those in Singapore by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Associated Property Consultants Pte. Ltd., respectively, independent firms of professional surveyors, who have appropriate qualifications and experience in the valuation of properties in the relevant locations, on a market value basis, after taking into consideration the net rental income allowing for reversionary potential and the redevelopment potential of the properties where appropriate.

The surplus arising on revaluation is recognised directly in the consolidated income statement.

- (e)** As a result of the adoption of amendments to HKAS 40, the WPL Group reclassified property under development of HK\$670 million to investment property under development during the year.
- (f)** The gross amount of fixed assets of the WPL Group held for use under operating leases was HK\$6,879 million (2008: HK\$7,478 million).
- (g)** Gross rental revenue from investment properties amounted to HK\$410 million (2008: HK\$371 million).
- (h)** The WPL Group leases out properties under operating leases, which generally run for an initial period of one to six years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease income may be varied periodically to reflect market rentals and may contain a contingent rental element which is based on various percentages of tenants' sales receipts.
- (i)** The WPL Group's total future minimum lease income under non-cancellable operating leases is receivable as follows:

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Within 1 year	319	345
After 1 year but within 5 years	403	517
	<u>722</u>	<u>862</u>

- (j)** Investment property under development amounting to HK\$1,424 million (2008: property under development of HK\$670 million) has been pledged as security to obtain bank loans.

13. INTEREST IN SUBSIDIARIES

	WPL	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Unlisted shares, at cost	2,545	2,545
Amounts due to subsidiaries	(708)	(729)
	<u>1,837</u>	<u>1,816</u>

Details of principal subsidiaries as at 31 December 2009 are shown on page 119.

Amounts due to subsidiaries are unsecured, non-interest bearing and are classified as non-current as these are not expected to be payable within the next twelve months.

14. INTEREST IN ASSOCIATES

	WPL Group	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Share of net assets	509	498
Amounts due from associates	955	1,040
Amount due to an associate	(104)	(58)
	<u>1,360</u>	<u>1,480</u>

(a) Details of principal associates as at 31 December 2009 are shown on page 119.

(b) Amounts due from associates are unsecured, interest free and have no fixed terms of repayment, except for a loan of HK\$48 million (2008: HK\$56 million) made by the WPL Group to an associate involved in the Bellagio project, which is interest bearing, unsecured and has no fixed terms of repayment.

(c) **Summary financial information on associates:**

	2009		2008	
	Total	Attributable interest	Total	Attributable interest
	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>
Statement of financial position				
Properties under development for sale in				
China	3,375	1,687	2,947	1,473
Properties held for sale in Hong Kong	243	77	325	103
Other assets	946	446	624	245
Total assets	4,564	2,210	3,896	1,821
Total liabilities	(3,487)	(1,701)	(2,805)	(1,323)
Equity	<u>1,077</u>	<u>509</u>	<u>1,091</u>	<u>498</u>
Income statement				
Revenue	532	230	428	127
Profit/(loss) before taxation	289	108	(43)	(64)
Income tax	(47)	(18)	(28)	(7)
Profit/(loss) after taxation	<u>242</u>	<u>90</u>	<u>(71)</u>	<u>(71)</u>

15. FINANCIAL INVESTMENTS

	WPL Group	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
(a) Available-for-sale investments		
Equity securities, at market value		
Listed in Hong Kong	8,820	4,122
Listed outside Hong Kong	3,251	1,521
	<u>12,071</u>	<u>5,643</u>
(b) Unlisted held-to-maturity investments	<u>15</u>	<u>–</u>
(c) Included in the above equity securities is the WPL Group's 7% interest in The Wharf (Holdings) Limited ("Wharf"), a fellow subsidiary of WPL, the carrying value of which constituted more than 10% of the WPL Group's total assets at 31 December 2009. Details of Wharf are shown as follows:		

Name of company	Place of incorporation	Percentage of total issued ordinary shares held
The Wharf (Holdings) Limited	Hong Kong	7.0
(d) Equity securities listed outside Hong Kong include WPSL's 20% (2008: 20%) interest in HPL and 17% (2008: 17%) interest in SC Global, which are incorporated and listed in Singapore. The equity interest in HPL is not classified as an associate as the WPL Group does not have significant influence in HPL. The WPL Group does not have representation on the board of directors and does not participate in the policy-making processes of HPL.		
(e) As at 31 December 2009, the fair value of individually impaired available-for-sale investments amounted to HK\$615 million (2008: HK\$767 million) and impairment losses of HK\$124 million (2008: HK\$1,105 million) were recognised in the consolidated income statement for the year under review.		
(f) Held-to-maturity investments are unlisted and their carrying value as at 31 December 2009 approximates their fair value.		

16. DEFERRED DEBTORS

Deferred debtors represent receivables due after more than one year.

17. PROPERTIES UNDER DEVELOPMENT FOR SALE AND PROPERTIES HELD FOR SALE

- (a) The amount of properties under development for sale and held for sale carried at net realisable value is HK\$205 million (2008: HK\$204 million).
- (b) Properties under development for sale in the amount of HK\$4,140 million (2008: HK\$6,581 million) are expected to be substantially completed and recovered after more than one year.
- (c) Properties under development for sale with a carrying value of HK\$3,012 million (2008: HK\$2,803 million) are pledged as security for banking facilities made available to the WPL Group.

- (d) The carrying value of leasehold land and freehold land included in properties under development for sale and held for sale is summarised as follows:

	WPL Group	
	2009	2008
	HK\$million	HK\$million
Held in Hong Kong		
Long lease	1,392	1,596
Medium term lease	190	212
	<u>1,582</u>	<u>1,808</u>
Held outside Hong Kong		
Freehold	4,220	4,115
	<u>5,802</u>	<u>5,923</u>

18. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables with an ageing analysis based on invoice dates as at 31 December 2009 as follows:

	WPL Group	
	2009	2008
	HK\$million	HK\$million
Trade receivables		
0 – 30 days	2	8
31 – 60 days	–	3
Over 90 days	42	–
	<u>44</u>	<u>11</u>
Accrued sales receivables	465	804
Deposits paid for properties acquisition	8	11
Derivative financial assets (<i>Note 26b</i>)	16	–
Other receivables	83	24
	<u>616</u>	<u>850</u>

Accrued sales receivables mainly represent property sales consideration to be billed or received after year end date. In accordance with the WPL Group's accounting policy, upon receipt of the Temporary Occupation Permit or architect's completion certificate, the balance of sales consideration to be billed is included as accrued sales receivables.

The WPL Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties the proceeds from which are receivable pursuant to the terms of the agreements. All the receivables are expected to be virtually recoverable within one year.

At 31 December 2009 and 2008, the WPL Group determined that none of the trade receivables of the WPL Group were impaired including those past due. These receivables relate to a wide range of customers for whom there was no recent history of default and no significant change in their credit quality. The WPL Group does not hold any collateral over these balances.

19. BANK DEPOSITS AND CASH

	WPL Group	
	2009	2008
	HK\$million	HK\$million
Bank deposits and cash		
Not pledged	6,887	5,513
Pledged	82	80
	<u>6,969</u>	<u>5,593</u>

Included in bank deposits and cash is an amount of HK\$1,823 million (2008: HK\$1,543 million) in respect of part of the proceeds received from pre-sale of properties in Singapore which is held under the "Project Account Rules-1997 Ed", and hence withdrawals from which are restricted to payments for expenditure incurred for the respective projects.

20. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis as at 31 December 2009 as follows:

	WPL Group	
	2009	2008
	HK\$million	HK\$million
Trade payables in the next:		
0 – 30 days	70	121
31 – 60 days	97	36
61 – 90 days	54	12
Over 90 days	179	215
	<u>400</u>	<u>384</u>
Rental deposits	106	113
Derivative financial liabilities (<i>Note 26b</i>)	–	40
Other payables	193	207
	<u>699</u>	<u>744</u>

The amount of trade and other payables that is expected to be settled after more than one year is HK\$89 million (2008: HK\$92 million), which mainly relates to rental deposits. The WPL Group considers the effect of discounting these would be immaterial. All of the other trade and other payables are expected to be settled within one year or are payable on demand.

21. BANK LOANS

	WPL Group	
	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>
Current liabilities		
Secured bank loans	721	–
Unsecured bank loans	–	512
	<u>721</u>	<u>512</u>
Non-current liabilities		
Secured bank loans	569	1,602
Total bank loans	<u>1,290</u>	<u>2,114</u>
Bank loans repayable:		
Within 1 year	721	512
After 1 year but within 2 years	569	1,043
After 2 years but within 3 years	–	559
Total bank loans	<u>1,290</u>	<u>2,114</u>

(a) The above bank loans were borrowed by WPSL and are denominated in Singapore dollars. The loans are without recourse to WPL and its wholly-owned subsidiaries. All of the bank loans are carried at amortised cost.

(b) The interest rate profile of the WPL Group's bank loans was as follows:

	2009		2008	
	<i>Effective interest rates</i>	<i>HK\$million</i>	<i>Effective interest rates</i>	<i>HK\$million</i>
Floating rate bank loans				
Secured	0.83-1.06%	1,290	1.53-1.55%	1,602
Unsecured	–	–	1.91%	512
		<u>1,290</u>		<u>2,114</u>

(c) The following assets of the WPL Group have been pledged for securing bank loan facilities:

	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Investment property under development	1,424	670
Properties under development for sale	3,012	2,803
	<u>4,436</u>	<u>3,473</u>

(d) None of the WPL Group's borrowings are subject to any financial covenants imposed by financial institutions.

22. DEPOSITS FROM SALE OF PROPERTIES

Deposits from sale of properties in the amount of HK\$1,636 million (2008: HK\$2,180 million) are expected to be recognised as income in the consolidated income statement after more than one year.

23. DEFERRED TAXATION

(a) Net deferred tax (assets)/liabilities recognised in the consolidated statement of financial position:

	WPL Group	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Deferred tax liabilities	659	688
Deferred tax assets	(66)	(101)
Net deferred tax liabilities	<u>593</u>	<u>587</u>

The components of deferred tax (assets)/liabilities and the movements during the year are as follows:

	Revaluation of investment properties <i>HK\$million</i>	Revaluation of investments <i>HK\$million</i>	Depreciation allowances in excess of the related depreciation <i>HK\$million</i>	Future benefit of tax losses <i>HK\$million</i>	Total <i>HK\$million</i>
WPL Group					
At 1 January 2008	546	216	66	–	828
Exchange differences	(1)	(2)	–	3	–
Charged/(credited) to the income statement	69	–	8	(104)	(27)
Credited to reserves	–	(214)	–	–	(214)
At 31 December 2008 and 1 January 2009	614	–	74	(101)	587
Exchange differences	7	–	1	(1)	7
Charged to the income statement	8	–	14	36	58
Disposal of a subsidiary	(46)	–	(13)	–	(59)
At 31 December 2009	<u>583</u>	<u>–</u>	<u>76</u>	<u>(66)</u>	<u>593</u>

(b) Deferred tax assets unrecognised

The WPL Group has not accounted for deferred tax assets in respect of future benefit of accumulated tax losses of HK\$1,421 million (2008: HK\$1,615 million) and certain deductible temporary differences of HK\$37 million (2008: HK\$38 million), with details below.

	WPL Group	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
Future benefit of tax losses	235	266
Deductible temporary differences	6	7
	<u>241</u>	<u>273</u>

Deferred tax assets have not been recognised as the Directors consider it is not probable that taxable profits will be available against which the tax losses and the deductible temporary differences can be utilised. The tax losses arising in Hong Kong and Singapore do not expire under current tax legislation.

24. SHARE CAPITAL

	2009 No. of Shares <i>Million</i>	2008 No. of Shares <i>Million</i>	2009 <i>HK\$million</i>	2008 <i>HK\$million</i>
Authorised:				
Ordinary Shares of HK\$0.2 each	<u>3,000</u>	<u>3,000</u>	<u>600</u>	<u>600</u>
Issued and fully paid:				
Ordinary Shares of HK\$0.2 each	<u>2,070</u>	<u>2,070</u>	<u>414</u>	<u>414</u>

25. CAPITAL AND RESERVES

- (a) The reconciliation between the opening and closing balances of each component of the WPL Group's consolidated equity is set out in the consolidated statement of changes in equity.

The WPL Group's investment revaluation reserves have been set up and will be dealt with in accordance with the accounting policies adopted for the revaluation of available-for-sale investments. The exchange and other reserves mainly comprise exchange differences arising from the translation of the financial statements of foreign operations.

- (b) Details of the changes in WPL's individual components of equity between the beginning and the end of the year are set out below:

Company	Share capital <i>HK\$million</i>	Exchange and other reserves <i>HK\$million</i>	Revenue reserves <i>HK\$million</i>	Total <i>HK\$million</i>
At 1 January 2008	414	55	1,541	2,010
Total comprehensive income for the year	–	–	9	9
Final dividend paid in respect of 2007	–	–	(166)	(166)
Interim dividend paid in respect of 2008 (Note 11)	<u>–</u>	<u>–</u>	<u>(41)</u>	<u>(41)</u>
At 31 December 2008 and 1 January 2009	414	55	1,343	1,812
Total comprehensive income for the year	–	–	228	228
Final dividend paid in respect of 2008 (Note 11)	–	–	(166)	(166)
Interim dividend paid in respect of 2009 (Note 11)	<u>–</u>	<u>–</u>	<u>(41)</u>	<u>(41)</u>
At 31 December 2009	<u><u>414</u></u>	<u><u>55</u></u>	<u><u>1,364</u></u>	<u><u>1,833</u></u>

- (i) Reserves of WPL available for distribution to equity Shareholders at 31 December 2009 amount to HK\$1,364 million (2008: HK\$1,343 million).
- (ii) The application of the capital redemption reserve account is governed by section 49H of the Companies Ordinance.
- (iii) Included in exchange and other reserves is capital redemption reserve of HK\$5 million (2008: HK\$5 million).

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The WPL Group is exposed to financial risks as to interest rate, foreign currency, equity price, liquidity and credit in the normal course of business. To manage some of these risks, the Finance Committee develops, maintains and monitors the WPL Group's financial policies designed to facilitate cost efficient funding to the WPL Group and to mitigate the impact of fluctuations in interest rates and exchange rates. The financial policies are implemented by the Treasury department, which operates as a centralised service unit in close co-operation with operating units for managing the day-to-day treasury functions and financial risks and for providing cost efficient funding to the WPL Group.

The WPL Group uses derivatives, principally forward foreign exchange contracts as deemed appropriate for financing, hedging transactions and for managing the WPL Group's assets and liabilities. It is the WPL Group's policy not to enter into derivative transactions and invest in financial products with significant underlying leverage which are commercially speculative.

(a) Interest rate risk

The WPL Group's main exposure to interest rate risk relates principally to the WPL Group's bank deposits and loans from banks primarily denominated in Singapore dollar and at floating rates. Interest rates on bank deposit and loans are determined based on prevailing market rates and expose the WPL Group to cash flow interest rate risk. The WPL Group manages its interest rate risk exposures in accordance with defined policies through regular review with a focus on reducing the WPL Group's overall cost of funding. The WPL Group does not use any derivative financial instruments to hedge interest rate risk.

Based on the sensitivity analysis performed on 31 December 2009, it was estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would increase/decrease the WPL Group's post-tax profit and total equity by approximately HK\$56 million (2008: HK\$38 million). This takes into account the effect of interest bearing bank deposits.

The sensitivity analysis above indicates the instantaneous change in the WPL Group's post-tax profit and total equity that would arise assuming that the change in interest rates had occurred at the reporting date and had been applied to re-measure those financial instruments held by the WPL Group which expose the WPL Group to fair value interest rate risk at the reporting date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the WPL Group at the reporting date, the impact on the WPL Group's post-tax profit and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2008.

(b) Foreign currency risk

The WPL Group owns assets and conducts its businesses in Hong Kong, Singapore and China with its cash flows denominated substantially in Hong Kong dollar ("HKD"), Singapore dollar ("SGD") and Renminbi ("RMB"), and is exposed to foreign currency risk with respect to SGD and RMB related to its investments in subsidiaries and associates operating in Singapore and China respectively.

The WPL Group uses forward foreign exchange contracts and local currency borrowings to hedge its foreign currency risk except for its exposure relating to net investments in Singapore subsidiaries and China associates. For managing the overall financing costs of existing and future capital requirements for the projects in China, the WPL Group has adopted a diversified funding approach and entered into certain forward foreign exchange contracts with the financial effect as if taking Japanese yen ("JPY") borrowings, taking the advantage of lower interest rate for the JPY but exposing the WPL Group to exchange rate risk with respect to JPY. Based on the prevailing accounting standard, these JPY exchange contracts have been marked to market with the differences recognised to the income statement.

The notional amount of the outstanding forward foreign exchange contracts at 31 December 2009 is HK\$590 million (2008: HK\$606 million) and matures within one year. The net fair value of forward foreign exchange contracts at 31 December 2009 is HK\$16 million (2008: derivative financial liabilities HK\$40 million) recognised as derivative financial assets.

Based on the sensitivity analysis performed on 31 December 2009, it was estimated that a 1% increase/decrease in the exchange rate of JPY against United States dollar ("USD") assuming all other variables remained constant, will decrease/increase the WPL Group's post-tax profit and total equity by approximately HK\$6 million (2008: HK\$6 million).

On consolidation as at 31 December 2009, the WPL Group's net investments subject to foreign translation exposure were approximately HK\$9,130 million (2008: HK\$7,755 million) for its net investments in Singapore subsidiaries and HK\$1,286 million (2008: HK\$1,430 million) for its net investments in China associates (including inter-company balances which are considered to be in the nature of investment in foreign operations). With this translation exposure, a 1% increase/decrease in the exchange rate of SGD and RMB against HKD will increase/decrease the WPL Group's equity by approximately HK\$91 million (2008: HK\$78 million) and HK\$13 million (2008: HK\$14 million) respectively.

At 31 December 2009, the WPL Group is exposed to foreign currency risk related to its bank deposits of USD86 million (2008: USD37 million), available-for-sale investments of USD180 million (2008: USD97 million) and held-to maturity investments of USD2 million (2008: USD Nil). In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. The analysis is performed on the same basis for 2008.

The sensitivity analysis performed in the above represents the aggregation of the instantaneous effects on each of the WPL Group entities' post-tax profit and total equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the reporting date for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the WPL Group which expose the WPL Group to foreign currency risk at the reporting date, including balances between group companies which are denominated in a currency other than the functional currencies of the WPL Group's entities to which they relate. The analysis is performed on the same basis for 2008.

(c) Equity price risk

The WPL Group is exposed to equity price changes arising from equity investments classified as available-for-sale investments.

Listed investments held in the available-for-sale portfolio have been chosen taking reference to their long term growth potential and returns and are monitored regularly for performance. Given that the volatility of the stock markets may not have a direct correlation with the WPL Group's investment portfolio, it is impractical to determine the impact that the changes in stock market indices would have on the WPL Group's portfolio of equity investments.

Based on the sensitivity analysis performed on 31 December 2009, it is estimated that an increase/decrease of 5% in the market value of the WPL Group's listed available-for-sale investments, with all other variables held constant, would not affect the WPL Group's post-tax profit unless there are impairments but would increase/decrease the WPL Group's total equity by HK\$604 million (2008: HK\$282 million). The analysis is performed on the same basis for 2008.

(d) Liquidity risk

The WPL Group adopts a prudent liquidity risk management policy, maintaining sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding with staggered maturities to reduce refinancing risk in any year from major financial institutions to maintain flexibility for meeting its liquidity requirements in the short and longer term. The WPL Group's cash management is substantially centralised within the Treasury department, which regularly monitors the current and expected liquidity requirements and its compliance with lending covenants.

Certain non-wholly-owned subsidiaries are responsible for their own cash management, including the short term investment of cash surpluses with creditworthy financial institutions and the raising of loans to cover expected cash demands, in accordance with the established policies and strategies with the concurrence by WPL.

The following tables detail the remaining contractual maturities at the reporting date of the WPL Group's derivative and non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the reporting date and carried at the exchange rate prevailing at the reporting date) and the earliest date the WPL Group can be required to pay:

	Contractual undiscounted cashflow				
	Carrying amount <i>HK\$million</i>	Total <i>HK\$million</i>	Within 1 year or on demand <i>HK\$million</i>	More than 1 year but less than 2 years <i>HK\$million</i>	More than 2 years but less than 5 years <i>HK\$million</i>
At 31 December 2009					
Trade and other payables	699	699	610	37	52
Bank loans	1,290	1,309	734	575	–
Amounts due to fellow subsidiaries	65	65	65	–	–
	<u>2,054</u>	<u>2,073</u>	<u>1,409</u>	<u>612</u>	<u>52</u>
At 31 December 2008					
Trade and other payables	744	744	652	27	65
Bank loans	2,114	2,172	541	1,070	561
Amounts due to fellow subsidiaries	40	40	40	–	–
	<u>2,898</u>	<u>2,956</u>	<u>1,233</u>	<u>1,097</u>	<u>626</u>

WPL on its own is exposed to liquidity risk that arose from financial guarantees given by WPL on behalf of subsidiaries. The guarantees are callable if the respective subsidiary is unable to meet its obligation. As at 31 December 2009, none of the above mentioned banking facilities was utilised by the subsidiaries; accordingly, the maximum amount callable as at 31 December 2009 was HK\$Nil (2008: HK\$Nil).

(e) Credit risk

The WPL Group's credit risk is primarily attributable to rental, trade and other receivables, cash and cash equivalents, held-to-maturity investments and over-the-counter derivative financial instruments. The exposures to these credit risks are closely monitored on an ongoing basis by established credit policies and procedures in each of its core businesses. In respect of rental receivables, sufficient rental deposits from tenants are held to cover potential exposure to credit risk. Further, evaluations are made for the customers with reference to their repayment history and financial strength, as well as the economic environment in which the customer operates.

Cash at bank, deposits placed with financial institutions, and investments and transactions involving derivative financial instruments are with counterparties with sound credit ratings to minimise credit exposure.

The WPL Group has no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Except for the financial guarantees given by WPL as set out in Note 27, the WPL Group does not provide any other guarantee which would expose the WPL Group or WPL to material credit risk.

(f) Fair values*(i) Fair value estimation*

The fair value of financial instruments is determined as follows:

Listed investments are stated at quoted market prices.

The fair values of held-to-maturity investments, receivables, bank balances and other current assets, payables and accruals, current borrowings, and provisions are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair value of forward foreign exchange contracts is determined by using the forward exchange rates at the reporting date and comparing to the contractual rates.

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2009 and 2008. Amounts due (to)/from subsidiaries, associates and fellow subsidiaries are unsecured, interest free or at prevailing market rates, and have no fixed repayment terms. Given these terms it is not meaningful to disclose fair values.

(ii) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the reporting date across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

31 December 2009	WPL Group		Total
	Level 1	Level 2	
	HK\$million	HK\$million	HK\$million
Assets			
Available-for-sale investments			
– Listed	12,071	–	12,071
Forward foreign exchange contracts	–	16	16
	<u>12,071</u>	<u>16</u>	<u>12,087</u>

During the year there were no significant transfers between instruments in Level 1 and Level 2.

(g) Capital management

The WPL Group's primary objective when managing capital is to safeguard the WPL Group's ability to continue as a going concern, to meet its financial obligations and continue to provide returns for Shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The WPL Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher Shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in the WPL Group's business portfolio and economic conditions.

The WPL Group monitors its capital structure by reviewing its net debt-to-equity ratio and cash flow requirements, taking into account its future financial obligations and commitments. For this purpose, the WPL Group defines net debt as total loans less deposits and cash. Shareholders' equity comprises issued share capital and reserves attributable to equity Shareholders of WPL. Total equity comprises Shareholders' equity and minority interests.

As at 31 December 2009, the WPL Group had net cash of HK\$5,679 million (2008: HK\$3,479 million).

Neither WPL nor any of its subsidiaries are subject to externally imposed capital requirements.

27. CONTINGENT LIABILITIES

- (a) At 31 December 2009, there were no contingent liabilities in respect of guarantees given by WPL on behalf of subsidiaries relating to banking facilities (2008: HK\$225 million).
- (b) WPL has not recognised any deferred income for the guarantees given in respect of borrowings and other banking facilities for subsidiaries as their fair value cannot be reliably measured and their transaction price is HK\$Nil.

28. COMMITMENTS

The WPL Group's outstanding commitments on expenditures as at 31 December 2009 included below:

	WPL Group	
	2009	2008
	<i>HK\$million</i>	<i>HK\$million</i>
(a) Properties under development		
Authorised and contracted for		
Hong Kong	389	498
Singapore	663	1,241
	<u>1,052</u>	<u>1,739</u>
Authorised but not contracted for		
Hong Kong	<u>220</u>	<u>–</u>
(b) Properties under development in China through associates		
Authorised and contracted for	232	124
Authorised but not contracted for	1,071	1,488
	<u>1,303</u>	<u>1,612</u>
(c) Other capital expenditure		
Authorised and contracted for		
Hong Kong	3	–
Singapore	193	9
	<u>196</u>	<u>9</u>

29. MATERIAL RELATED PARTY TRANSACTIONS

Except for the transactions noted in notes 13, 14 and noted below, the WPL Group and WPL have not been a party to any material related party transactions during the year ended 31 December 2009:

- (a) The WPL Group paid to a related party General Managers' Commission of HK\$64 million (2008: HK\$36 million) for the provision of management services to the WPL Group during the year under review. The payment of such an amount to the General Managers was in accordance with an agreement dated 31 March 1992.

The above is considered to be a related party transaction and also constitutes a continuing connected transaction as defined under the Listing Rules.

- (b) The WPL Group paid to certain related parties property management and agency fees totalling HK\$10 million (2008: HK\$9 million) for the provision of property management and property leasing and related services to the WPL Group during the year under review. The payment of such property managing and agency fees were in accordance with various agreements previously entered into between the WPL Group and certain related companies.

The above are considered to be related party transactions and also constitute continuing connected transactions as defined under the Listing Rules.

- (c) The WPL Group received dividend income in the amount of HK\$155 million (2008: HK\$155 million) during the year ended 31 December 2009 in respect of its 7% interest in Wharf.

- (d) Remuneration for key management personnel of the WPL Group, including amounts paid to the Directors and the five highest paid employees are disclosed in Notes 2(b) and (c).

30. CHANGES IN ACCOUNTING POLICIES

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), amendments to HKFRSs and interpretations that are first effective for the current accounting period of the WPL Group and WPL:

HKAS 1 (Revised)	Presentation of financial statements
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
Improvements to HKFRSs (2008)	Amendments to HKAS 40 investment property

The "Principal accounting policies" set out on pages 101 to 118 summarises the accounting policies of the WPL Group and WPL after the adoption of these policies to the extent that they are relevant to the WPL Group and WPL.

Except as described below, the adoption of the above new or revised standards, amendments and interpretations had no significant impact on the financial information of the WPL Group.

(a) HKAS 1 (Revised) – Presentation of financial statements

As a result of the adoption of HKAS 1 (Revised), details of changes in equity during the period arising from transactions with equity Shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

(b) HKFRS 7 (Amendment) – Improving disclosures about financial instruments

As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures in note 26(f) about the fair value measurement of the WPL Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The WPL Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

(c) HKFRS 8 – Operating segments

HKFRS 8 requires segment disclosure to be based on the way that the WPL Group's chief operating decision maker regards and manages the WPL Group, with the amounts reported for each reportable segment being the measures reported to the WPL Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the WPL Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the WPL Group's top management, and has resulted in amended disclosure being presented. Corresponding amounts have been restated on a basis consistent with the revised segment information.

(d) Improvements to HKFRSs (2008) – Amendments to HKAS 40 investment property

As a result of the amendments to HKAS 40, investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss. Previously such property was carried at cost until the construction was completed, at which time it was fair valued with any gain or loss being recognised in profit or loss. This amendment is applied prospectively and the corresponding amounts have not been restated. As a result of this amendment, the WPL Group has reclassified HK\$670 million from property under development to investment properties as at 1 January 2009. The profit attributable to equity Shareholders increased by HK\$507 million for the year ended 31 December 2009.

31. FUTURE CHANGES IN ACCOUNTING POLICIES

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations, which have not been adopted since they are only effective after 31 December 2009.

The WPL Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that apart from Improvements to HKFRSs 2009 which may have some impact, the adoption of the other new standards and interpretations is unlikely to have a significant impact on the WPL Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements, including possible restatement of comparative amounts in the first period of adoption:

	Effective for accounting periods beginning on or after
HKFRS 3 (Revised), Business combinations	1 July 2009
Amendments to HKAS 27, Consolidated and separate financial statements	1 July 2009
Amendments to HKAS 39, Financial instruments: Recognition and measurement – Eligible hedged items	1 July 2009
Improvements to HKFRSs 2009	1 July 2009 or 1 January 2010
HK(IFRIC) 17, Distribution of non-cash assets to owners	1 July 2009
HKFRS 9, Financial instruments	1 July 2013

32. EVENT AFTER THE REPORTING DATE

- (a) In March 2010, the WPL Group together with New World Development group through a 50%-owned joint venture company succeeded in the tender for the development of site C and site D of the Austin Station Property Development in Hong Kong. The total development and related costs of the project as payable by the joint venture company are budgeted at approximately HK\$11.7 billion, of which the WPL Group's share of the commitment is approximately HK\$5.8 billion. The sites will be developed into residential properties for sale.
- (b) In January 2010, the WPL Group together with China Merchants Property group acquired a site (50% – owned by the WPL Group) in Nanhai Shishan Town (南海獅山鎮), Foshan for RMB680 million (approximately HK\$774 million). The site will be developed into residential properties for sale.

33. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised), Presentation of financial statements and HKFRS 8, Operating segments, certain comparative figures have been reclassified to conform to current year's presentation. Further details of these developments are disclosed in note 30.

34. PARENT AND ULTIMATE HOLDING COMPANY

The Directors consider the parent and ultimate holding company at 31 December 2009 to be Wheelock and Company Limited, incorporated and listed in Hong Kong. Wheelock and Company Limited produces financial statements available for public use.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 16 March 2010.

PRINCIPAL ACCOUNTING POLICIES**(a) STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the principal accounting policies adopted by the WPL Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the WPL Group and WPL. Note 30 to the Financial Statements provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the WPL Group for the current and prior accounting periods reflected in these financial statements. The WPL Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 31).

(b) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements made up to 31 December comprise WPL and its subsidiaries (together referred to as the “WPL Group”) and the WPL Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except where stated otherwise in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note (x).

(c) BASIS OF CONSOLIDATION**(i) Subsidiaries and minority interests**

Subsidiaries are entities controlled by the WPL Group. Control exists when the WPL Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by WPL, whether directly or indirectly through subsidiaries, and in respect of which the WPL Group has not agreed any additional terms with the holders of those interests which would result in the WPL Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity Shareholders of WPL. Minority interests in the results of the WPL Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between minority interests and the equity Shareholders of WPL.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the WPL Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the WPL Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the WPL Group has been recovered.

In WPL's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

(ii) Associates

An associate is an entity in which the WPL Group or WPL has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost adjusted thereafter for the post acquisition change in the WPL Group's share of the associate's net assets and any impairment loss relating to the investment (see notes (c)(iii) and (k)). The WPL Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the WPL Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the WPL Group's share of losses exceeds its interest in the associate, the WPL Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the WPL Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the WPL Group's interest in the associate is the carrying amount of the investment under the equity method together with the WPL Group's long-term interests that, in substance, form part of the WPL Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the WPL Group and its associates are eliminated to the extent of the WPL Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated income statement.

In the individual company's statement of financial position, its investments in associates are stated at cost less impairment losses.

(iii) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the WPL Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit and is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (see note (k)).

Any excess of the WPL Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in the consolidated income statement.

On disposal of a cash-generating unit, or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(d) PROPERTIES**(i) Investment properties**

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and properties that are being constructed or developed for future use as investment properties.

Investment properties are stated in the statement of financial position at fair value, unless they are still in the course of construction or development at the reporting date and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the consolidated income statement. Rental income from investment properties is accounted for as described in note (q)(i).

When the WPL Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease, and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note (j).

(ii) Properties under development for sale

Properties under development for sale are classified as current assets and stated at the lower of cost and net realisable value. Cost includes identified costs including the acquisition cost of land, aggregate cost of development, borrowing costs capitalised, materials and supplies, wages, other direct expenses and an appropriate proportion of overheads. Net realisable value is estimated by the management, taking into account the expected selling price that can ultimately be achieved, based on prevailing market conditions and the anticipated costs to completion and costs to be incurred in selling the property.

The amount of any write down or provision for properties under development for sale is recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down or provision arising from an increase in net realisable value is recognised in the consolidated income statement in the period in which the reversal occurs.

(iii) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total development costs, including borrowing costs capitalised, attributable to unsold units. Net realisable value is estimated by the management, based on prevailing market conditions which represents the estimated selling price less costs to be incurred in selling the property. Costs of completed properties held for sale comprise all costs of purchase, costs of conversion and other costs incurred in bringing the properties to their present location and condition.

The amount of any write down of or provision for properties held for sale is recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down or provision arising from an increase in net realisable value is recognised in the consolidated income statement in the period in which the reversal occurs.

(e) OTHER FIXED ASSETS

Other fixed assets are stated at cost less accumulated depreciation and impairment losses (see note (k)(ii)).

Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the net estimated disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement on the date of retirement or disposal.

(f) DEPRECIATION OF FIXED ASSETS

Depreciation is calculated to write-off the cost of items of fixed assets, less their estimated residual value, if any, using a straight line method over their estimated useful lives as follows:

(i) Investment properties

No depreciation is provided on investment properties.

(ii) Other fixed assets

Depreciation is provided on a straight line basis on the cost of other fixed assets at rates determined with reference to the estimated useful lives of these assets of between 3 to 10 years.

Where parts of an item of a fixed asset have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(g) INVESTMENTS IN DEBT AND EQUITY SECURITIES

Investments in debt and equity securities (other than investments in subsidiaries and associates) are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

- (i)** Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in the consolidated income statement as incurred. At each reporting date the fair value is remeasured, with any resultant gain or loss being recognised in the consolidated income statement. The net gain or loss recognised in the consolidated income statement does not include any dividends or interest earned as these are recognised in accordance with the policies set out in note (q)(iii) and (iv).
- (ii)** Dated debt securities that the WPL Group and/or WPL has the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the statement of financial position at amortised cost less impairment losses.
- (iii)** Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses.
- (iv)** Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each reporting date the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve, except foreign exchange gains and losses resulting from changes in the amortised cost of monetary items such as debt securities which are recognised directly in the consolidated income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the consolidated income statement. When these investments are derecognised or impaired, the cumulative gain or loss is reclassified from equity to the consolidated income statement.
- (v)** Investments are recognised/derecognised on the date the WPL Group commits to purchase/sell the investments or they expire.

(h) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in the consolidated income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

(i) HEDGING**(i) Fair value hedge**

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the consolidated income statement. The gain or loss from remeasuring the hedging instrument at fair value together with the gain or loss on the hedged item attributable to the hedged risk are recorded in the consolidated income statement.

(ii) Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised directly in other comprehensive income and accumulated separately in equity. The ineffective portion of any gain or loss is recognised immediately in the consolidated income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the consolidated income statement in the same period or periods during which the asset acquired or liability assumed affects the consolidated income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the consolidated income statement in the same period or periods during which the hedged forecast transaction affects the consolidated income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is reclassified from equity to the consolidated income statement immediately.

(iii) Hedge of net investment in a foreign operation

The portion of the gain or loss on remeasurement to fair value of an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified to the consolidated income statement. The ineffective portion is recognised immediately in the consolidated income statement.

(j) LEASED ASSETS

An arrangement comprising a transaction or a series of transactions is or contains a lease if the WPL Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of leased assets

Assets that are held by the WPL Group under leases which transfer to the WPL Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the WPL Group are classified as operating leases, with the following exceptions:

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as an investment property, is accounted for as if held under a finance lease (see note (d)(i)); and

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the WPL Group, or taken over from the previous lessee.

(ii) Assets held under operating leases

Where the WPL Group has the use of assets held under operating leases, payments made under the leases are charged to the consolidated income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the consolidated income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated income statement in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note (d)(i)), properties under development for sale (see note (d)(ii)) or properties held for sale (see note (d)(iii)).

(iii) Assets held under finance leases

Where the WPL Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the WPL Group will obtain ownership of the asset, the life of the asset, as set out in note (f). Impairment losses are accounted for in accordance with the accounting policy as set out in note (k)(ii). Finance charges implicit in the lease payments are charged to the consolidated income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to the consolidated income statement in the accounting period in which they are incurred.

(k) IMPAIRMENT OF ASSETS

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities (other than investments in subsidiaries) and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale investments are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

For investments in associates recognised using the equity method (see note (c)(ii)), the impairment loss is measured by comparing the recoverable amount of the investment as a whole with its carrying amount in accordance with note (k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note (k)(ii).

For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses arising on equity securities carried at cost are not reversed (including those provided during the interim financial reporting).

For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate

computed at initial recognition of these assets) where the effect of discounting is material. If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the consolidated income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

For available-for-sale investments, the cumulative loss that has been recognised directly in investment revaluation reserve is reclassified to the consolidated income statement. The amount of the cumulative loss that is recognised in the consolidated income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the consolidated income statement.

Impairment losses recognised in the consolidated income statement in respect of available-for-sale equity investments are not reversed through the consolidated income statement. Any subsequent increase in the fair value of such assets is recognised directly in the other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the WPL Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes to the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the consolidated income statement.

(ii) Impairment of other assets

The carrying amounts of non-current assets (including investments in subsidiaries), other than properties carried at revalued amounts and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually to determine whether or not there is any indication of impairment.

Recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely

independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised as an expense in the consolidated income statement whenever the carrying amount exceeds the recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed (including those provided during the interim financial reporting).

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated income statement in the year in which the reversals are recognised.

Interim financial reporting and impairment

Under the Listing Rules, the WPL Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the WPL Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not in the consolidated income statement.

(I) TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(m) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are initially recognised at fair value less transaction costs. Subsequent to initial recognition, the interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated income statement over the period of the borrowings together with any interest and fees payable using the effective interest method.

(n) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the WPL Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(p) FOREIGN CURRENCIES

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary foreign currency balances and the statement of financial position of overseas subsidiaries and associates are translated into Hong Kong dollars at the exchange rates ruling at the reporting date. The income statements of overseas subsidiaries and associates are translated into Hong Kong dollars at the average exchange rates for the year. Differences arising from the translation of the financial statements of overseas subsidiaries and associates, and those arising from foreign currency borrowings used to hedge a net investment in a foreign operation, are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. The exchange differences arising from the financing of properties under development by foreign currency borrowings are capitalised as part of the development costs. All other exchange differences are dealt with in the consolidated income statement. On disposal of an overseas subsidiary or associate, the cumulative amount of the exchange differences recognised in equity which relate to that overseas subsidiary or associate is reclassified from equity to the consolidated income statement and is included

in the calculation of the profit or loss on disposal. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

(q) RECOGNITION OF REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the WPL Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated income statement as follows:

- (i) Rental income under operating leases is recognised in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.
- (ii) Income arising from the sale of properties held for sale is recognised upon the later of the execution of the formal sale and purchase agreement and the issue of occupation permit/completion certificate by the relevant government authorities, which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under deposits from sale of properties.
- (iii) Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.
- (iv) Interest income is recognised as it accrues using the effective interest method.

(r) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(s) INCOME TAX

- (i)** Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the consolidated income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii)** Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- (iii)** Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the difference between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may be capable to support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided that they are not part of a business combination).

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

- (iv)** Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the WPL Group has the legally enforceable right to set off current tax assets against current tax liabilities.

(t) RELATED PARTIES

For the purposes of these financial statements, a party is considered to be related to the WPL Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the WPL Group or exercise significant influence over the WPL Group in making financial and operating policy decisions, or vice versa, or has joint control over the WPL Group;
- (ii) the WPL Group and the party are subject to common control;
- (iii) the party is an associate of the WPL Group or a joint venture in which the WPL Group is a venturer;
- (iv) the party is a member of key management personnel of the WPL Group or the WPL Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the WPL Group or of any entity that is a related party of the WPL Group.

(u) FINANCIAL GUARANTEES ISSUED, PROVISIONS AND CONTINGENT LIABILITIES**(i) Financial guarantees issued**

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the WPL Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the WPL Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the consolidated income statement on initial recognition of any deferred income.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the WPL Group or WPL has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle

the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(v) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the WPL Group's top management for the purposes of allocating resources to, and assessing the performance of, the WPL Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(w) EMPLOYEE BENEFITS

(i) Defined contribution retirement schemes

Contributions to the schemes are expensed as incurred and may be reduced by contributions forfeited for those employees who leave the scheme prior to full vesting of the contributions. The assets of the schemes are held separately from those of the WPL Group in independently administered funds.

(ii) Central Provident Fund in Singapore

Contributions to the Central Provident Fund in Singapore as required under the Central Provident Fund Act are charged to the consolidated income statement when incurred.

(iii) Salaries, annual bonuses, paid annual leave, leave passage, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the WPL Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(x) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT**Key sources of estimation uncertainty**

Note 26 contains information about the assumptions and their risk relating to financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Valuation of investment properties

Investment properties are included in the statement of financial position at their market value, unless they are still in the course of construction or development at the reporting date and their fair value cannot be reliably determined at that time. The market value of investment properties is assessed annually by independent qualified valuers, after taking into consideration the net income allowing for reversionary potential.

The assumptions adopted in the property valuations are based on the market conditions existing at the reporting date, with reference to current market sales prices and the appropriate capitalisation rate.

(ii) Assessment of useful economic lives for depreciation of fixed assets

In assessing the estimated useful lives of fixed assets, management takes into account factors such as the expected usage of the asset by the WPL Group based on past experience, the expected physical wear and tear (which depends on operational factors), technical obsolescence arising from changes or improvements in production or from a change in the market demand for the product or service output of the asset. The estimation of the useful life is a matter of judgement based on the experience of the WPL Group.

Management reviews the useful lives of fixed assets annually, and if expectations are significantly different from previous estimates of useful economic lives, the useful lives and, therefore, the depreciation rate for the future periods will be adjusted accordingly.

(iii) Assessment of impairment of non-current assets

Management assesses the recoverable amount of each asset based on its value in use (using relevant rates) or on its net selling price (by reference to market prices), depending upon the anticipated future plans for the asset. Estimating the value in use of an asset involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to these future cash flows. Cash flow projections for remaining useful life of the asset and the most recent financial budgets/forecasts are approved by management.

(iv) Assessment of provision for properties held under development and for sale

Management determines the net realisable value of properties held for sale by using (i) prevailing market data such as most recent sale transactions and market survey reports available from independent property valuers; and (ii) internal estimates of costs based on quotes by suppliers.

Management's assessment of net realisable value of properties under development for sale requires the application of a risk-adjusted discount rate to estimate future discounted cash flows to be derived from the properties under development for sale. These estimates require judgement as to the anticipated sale prices by reference to recent sale transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions. The WPL Group's estimates may be inaccurate, and estimates may need to be adjusted in later periods.

(v) Assessment of classification of investments in associates

The classification of investments in associates is based on management's assessment of whether there is significant influence over the key operating and financial decision of the entity. In assessing significant influence, management takes into account the rights of each of the parties over substantive operating and financial decisions. Judgement is required to an extent to determine what constitutes the strategic financial and operating decisions essential to the accomplishment of the goals of the associate over which the parties have significant influence as opposed to having joint control. Management also considers the terms of the shareholder agreements including the governance structure and the resolution of disputes between the parties, profit sharing arrangements and the termination provisions.

(vi) Recognition of deferred tax assets

The recognition of deferred tax assets requires formal assessment by the WPL Group of the future profitability of related operations. In making this judgement, the WPL Group evaluates, amongst other factors, the forecast financial performance, changes in technology and operational and financing cashflows.

PRINCIPAL SUBSIDIARIES AND ASSOCIATES

At 31 December 2009

Subsidiaries	Place of incorporation/ operation	Issued ordinary share capital (except otherwise stated)	Effective equity interest to WPL	Principal activities
Amblegreen Company Limited	Hong Kong	1 HK\$1 share	100%	Finance
Every Success Holdings Limited	Hong Kong	1 HK\$1 share	100%	Holding company
Favour Year Holdings Limited	Hong Kong	1 HK\$1 share	100%	Holding company
Fine Super Holdings Limited	Hong Kong	1 HK\$1 share	100%	Holding company
Janeworth Company Limited	Hong Kong	550,000,000 HK\$1 shares	100%	Property
Lynchpin Limited	British Virgin Islands/ International	500 US\$1 shares	100%	Investment
Main Light Holdings Limited	Hong Kong	1 HK\$1 share	100%	Holding company
Marnav Holdings Limited	Hong Kong	1,000,000 HK\$1 shares	100%	Property
Mega Full Holdings Limited	Hong Kong	1 HK\$1 share	100%	Holding company
NART Finance Limited	Hong Kong	3 HK\$10 shares	100%	Finance
Pachino Limited	Hong Kong	2 HK\$10 shares	100%	Property
Realty Development Corporation Limited (held directly)	Hong Kong	1,151,389,640 HK\$0.2 shares	100%	Holding company
Samover Company Limited	Hong Kong	2 HK\$1 shares	100%	Property
Sunny Point Holdings Limited	Hong Kong	1 HK\$1 share	100%	Holding company
Talent Play Limited	Hong Kong	1 HK\$1 share	100%	Property
Titano Limited	Hong Kong	2 HK\$1 shares	100%	Property
Total Up International Limited	Hong Kong	1 HK\$1 share	100%	Holding company
Universal Sight Limited	Hong Kong	1 HK\$1 share	100%	Property
Wheelock Properties (China) Limited (held directly)	British Virgin Islands	500 US\$1 shares	100%	Holding company
Wheelock WPL China Investments Limited	Hong Kong	2 HK\$1 shares	100%	Investment
Wheelock Properties (Singapore) Limited	Singapore	398,853,292 S\$1 shares & 797,706,584 shares issued at S\$0.825 per share	76%	Holding company/ Property
Actbilt Pte Limited	Singapore	1,000,000 S\$1 shares	76%	Property
Ardesia Developments Pte. Ltd.	Singapore	2 S\$1 shares	76%	Investment
Bestbilt Pte. Ltd.	Singapore	1,000,000 S\$1 shares	76%	Property
Botanica Pte. Ltd.	Singapore	1,000,000 S\$1 shares	76%	Property
Everbilt Developers Pte Ltd	Singapore	160,000,000 S\$1 shares	76%	Property
Nassim Developments Pte. Ltd.	Singapore	2 S\$1 shares	76%	Investment
Associates	Place of incorporation/ operation	Class of shares	Effective equity interest to WPL	Principal activities
Salisbury Company Limited	Hong Kong	Ordinary	33%	Property
Grace Sign Limited (Note a)	Hong Kong	Ordinary	20%	Property
Harpen Company Limited (Note a)	Hong Kong	Ordinary	50%	Holding company
佛山信捷房地產有限公司 (Note (a) & (f))	PRC	Ordinary	50%	Property
佛山鑫城房地產有限公司 (Note (a) & (g))	PRC	Ordinary	50%	Property

Notes:

- (a) The financial statements of these associates have been audited by a firm of accountants other than KPMG.
- (b) Unless otherwise stated, the subsidiaries and associates were held indirectly by WPL.

- (c) The above list gives the principal subsidiaries and associates of the WPL Group which, in the opinion of the Directors, principally affected the profit and assets of the WPL Group.
- (d) The associates are unlisted corporate entities.
- (e) PRC denotes People's Republic of China.
- (f) This entity is registered as a wholly foreign owned enterprise under PRC law.
- (g) This entity is registered as a sino-foreign joint venture company under PRC law.

3. SHARE CAPITAL

The authorised and issued share capital of WPL as at the Latest Practicable Date are as follows:

	Number of Shares	Nominal value HK\$
Authorised		
Ordinary shares of HK\$0.20 each	<u>3,000,000,000</u>	<u>600,000,000</u>
Issued and fully paid		
Ordinary shares of HK\$0.20 each	<u>2,069,637,125</u>	<u>413,927,425</u>

There was no movement in the share capital of WPL during the period from 31 December 2009 to the Latest Practicable Date.

Each of the Shares ranks *pari passu* in all respects, including as regards dividends, voting and capital.

Apart from the Shares, WPL does not have any warrants, options, convertible securities or other securities in issue. None of the unissued Shares are subject to any warrants, options or conversion rights and it has not been agreed, conditionally or unconditionally, to put any of the unissued Shares under any warrants, options or conversion rights.

4. INDEBTEDNESS

Borrowings

At the close of business on 30 April 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Scheme Document, the WPL Group had total borrowings of approximately HK\$978 million. Details of the total borrowings are summarised below:

	The WPL Group HK\$million
Secured	
Bank loans	978
Total borrowings	<u>978</u>
Analysis of total borrowings	
Repayable within 1 year	<u>978</u>

Facilities

As at 30 April 2010, the WPL Group had total banking facilities of approximately HK\$1,986 million. The banking facilities of the WPL Group were secured by certain properties under development for sale with an aggregate carrying value of approximately HK\$4,652 million.

Contingent liabilities

WPL and New World Development Company Limited as guarantors (on a several basis) have provided a guarantee in favour of MTR Corporation Limited to guarantee the performance and fulfilment of all obligations of Fast New Limited, a jointly controlled entity, under or arising out of or in connection with an agreement for the development of Site C and Site D of the Austin Station property development project. No adjustment was made to recognise any deferred income for the guarantee given as, in the absence of observable market data, the best estimate of its fair value is its transaction price of HK\$Nil.

Save as disclosed above, there were no material contingent liabilities as at 30 April 2010.

Deposits and cash

As at 30 April 2010, the WPL Group had deposits and cash of approximately HK\$5,197 million, analysed as below:

	30 April 2010	31 December 2009
	<i>HK\$million</i>	<i>HK\$million</i>
WPL Group (excluding the WPSL Group)	827	2,777
WPSL Group	4,370	4,192
WPL Group	<u>5,197</u>	<u>6,969</u>

The WPL Group's deposits and cash (excluding the WPSL Group) decreased by approximately HK\$1,950 million from approximately HK\$2,777 million at 31 December 2009 to approximately HK\$827 million at 30 April 2010 following the payment of the land premium deposit in relation to Austin Station property development project in Hong Kong, the acquisition of a site in the PRC through a 50%-owned associate and payment of development costs for certain projects in Hong Kong.

Save as disclosed above, the WPL Group had no other bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities as at 30 April 2010.

The Directors have confirmed that, as at the Latest Practicable Date, there has been no material change to the WPL Group's indebtedness and contingent liability position since 30 April 2010.

5. MATERIAL CHANGES

The Directors confirm that other than the disclosures described in paragraph 6 – “Property interests and property valuation report” and paragraph 7 – “Available-for-sale investments” below, as at the Latest Practicable Date, there has been no material change in the financial or trading position or outlook of the WPL Group since 31 December 2009, the date to which the latest published audited financial statements of the WPL Group were made up.

6. PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

The value of the property interests attributable to WPL as at 31 March 2010 as valued by Knight Frank, the independent property valuer appointed by WPL, was approximately HK\$20,477 million. There was a net revaluation surplus, representing the excess market value of the properties over their book value as at 31 December 2009 (after adjusting for properties acquired or sold during the period from 1 January 2010 to 31 March 2010 and the interests attributable to minority interests). Further details of WPL’s property interests and the text of the letter and valuation report on these property interests prepared by Knight Frank are set out in Appendix II to this Scheme Document.

Disclosure of the reconciliation of the valuation of the interests in properties attributable to WPL as at 31 March 2010 and the property interests in WPL’s consolidated statement of financial position as at 31 December 2009 is set forth below:

	<i>HK\$million</i>
Net book value as at 31 December 2009	
Investment properties	8,303
Properties under development for sale	7,514
Properties held for sale	185
Attributable interests in properties owned by associates	1,764
	<u>17,766</u>
Net movement for the period from 1 January 2010 to 31 March 2010 (<i>Note 1</i>)	480
Net book value as at 31 March 2010	18,246
Valuation surplus before excluding minority interests (<i>Note 2</i>)	5,984
Gross valuation as at 31 March 2010	<u>24,230</u>
Gross valuation attributable to minority interests	<u>(3,753)</u>
Gross valuation attributable to WPL as at 31 March 2010 (per Property Valuation Report of WPL – Appendix II)	<u>20,477</u>

Notes:

1. Net additions represented development cost incurred for WPL's properties under development. For WPL's attributable interest in site C and site D of the Austin Station joint venture and the 50% interest in a new Foshan property project, no commercial values were assigned to these properties as explained in items 33 and 34 of the Property Valuation Report of WPL prepared by Knight Frank as set out in Appendix II to this Scheme Document. Further details of these two property projects are set out in note 32 to the published audited financial statements of WPL for the year ended 31 December 2009.
2. Reconciliation of net valuation surplus attributable to WPL

Gross valuation surplus per above	5,984
Taxation	(1,221)
Minority interests	(794)
Net valuation surplus attributable to WPL	<u>3,969</u>

7. AVAILABLE-FOR-SALE INVESTMENTS

As at the Latest Practicable Date, the fair value of the available-for-sale listed investments of the WPL Group, determined based on the market price of the respective listed investments at the even date held by the WPL Group, amounted to approximately HK\$11,180 million (31 December 2009: HK\$12,071 million), giving rise to an attributable deficit of approximately HK\$1,035 million against that as at 31 December 2009.

8. FINANCIAL SUMMARY OF WHEELLOCK PROPERTIES (SINGAPORE) LIMITED AND ITS SUBSIDIARIES FOR THE THREE MONTHS ENDED 31 MARCH 2010

Set out below is the financial summary of the WPSL Group for the three months ended 31 March 2010 as extracted from its unaudited consolidated results for the first quarter ended 31 March 2010 announced on 14 May 2010.

Consolidated statement of financial position of the WPSL Group*As at 31 March 2010*

(Expressed in Singapore dollars)

	WPSL Group	
	31 March	31 December
	2010	2009
	<i>S\$'000</i>	<i>S\$'000</i>
Non-current assets		
Property, plant and equipment	1,147	1,011
Investment properties	1,056,082	1,052,500
Interests in an associate	7	7
Investments	357,021	334,420
Other non-current assets	540	540
	<u>1,414,797</u>	<u>1,388,478</u>
Current assets		
Development properties	722,500	683,720
Trade and accrued receivables	7,779	47,835
Amounts due from related corporations	61	21
Other receivables	1,074	968
Cash and cash equivalents	822,729	759,427
	<u>1,554,143</u>	<u>1,491,971</u>
Total assets	<u><u>2,968,940</u></u>	<u><u>2,880,449</u></u>
Equity attributable to equity holders of WPSL		
Share capital	1,055,901	1,055,901
Reserves	1,471,702	1,403,579
Total equity	<u>2,527,603</u>	<u>2,459,480</u>
Non-current liabilities		
Interest-bearing liabilities	–	103,028
Deferred tax liabilities	114,837	105,744
	<u>114,837</u>	<u>208,772</u>
Current liabilities		
Trade payables	44,481	49,571
Other payables	28,624	27,208
Interest-bearing liabilities	235,220	130,612
Current tax payable	18,175	4,806
	<u>326,500</u>	<u>212,197</u>
Total liabilities	<u>441,337</u>	<u>420,969</u>
Total equity and liabilities	<u><u>2,968,940</u></u>	<u><u>2,880,449</u></u>

Consolidated income statement of the WPSL Group*For the three months ended 31 March 2010*

(Expressed in Singapore dollars)

	Three months ended	
	31 March 2010	31 March 2009
	<i>S\$'000</i>	<i>S\$'000</i>
Revenue	106,600	85,078
Cost of sales	(44,029)	(47,588)
Gross profit	62,571	37,490
Other income	350	658
Selling and marketing expenses	(30)	(65)
Administrative and corporate expenses	(2,197)	(2,471)
Other operating expenses		
– impairment loss on investments	–	(23,274)
– others	(190)	(443)
	(190)	(23,717)
Profit from operations	60,504	11,895
Finance costs	(4)	(343)
Profit before taxation	60,500	11,552
Income tax expense	(10,120)	(1,718)
Profit for the period	50,380	9,834

Consolidated statement of comprehensive income of the WPSL Group*For the three months ended 31 March 2010*

(Expressed in Singapore dollars)

	Three months ended	
	31 March 2010	31 March 2009
	<i>S\$'000</i>	<i>S\$'000</i>
Profit for the period	50,380	9,834
Other comprehensive income		
Available-for-sale financial assets		
– net change in fair value	17,743	–
Exchange differences arising on consolidation of foreign subsidiaries	–	1
Other comprehensive income for the period, net of income tax	17,743	1
Total comprehensive income for the period	68,123	9,835

The following is the text of the letter and the valuation report, prepared for the purpose of incorporation in this Scheme Document, received from Knight Frank, an independent professional property valuer appointed by WPL, in connection with the valuation of the properties as at 31 March 2010 held under or held through subsidiaries, associates or jointly controlled entities of WPL.

Knight Frank 萊坊



19 May 2010

The Directors
Wheelock Properties Limited
23rd Floor
Wheelock House
20 Pedder Street
Central Hong Kong

Dear Sirs

In accordance with your instructions for us to value various property interests as set out in the attached Summary of Values held under or held through subsidiaries, associates or jointly controlled entities of Wheelock Properties Limited (hereinafter together referred to as "WPL") in Hong Kong, the People's Republic of China (the "PRC") and Singapore, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of these property interests as at 31 March 2010 ("the date of valuation") for the purpose of inclusion in the Scheme Document.

Basis of Valuation

Our valuation is our opinion of the "Market Value" which we would define as intended to mean the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special

4/F Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong 香港灣仔港灣道 6-8 號瑞安中心 4 字樓
T 電話 +852 2840 1177 F 傳真 +852 2840 0600 KnightFrank.com.hk

Knight Frank Petty Limited EAA (Co) Lic No C-010431
Knight Frank Hong Kong Limited EAA (Co) Lic No C-013197
Knight Frank (Services) Limited EAA (Co) Lic No C-012848

considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

Valuation Methodologies

We have valued Properties Nos 1-3 of Group A, Property Nos 18 and 19 of Group D and Property No 30 of Group E by reference to sales evidence as available on the market and where appropriate on the basis of capitalization of the net incomes shown on the documents handed to us by WPL.

We have valued Properties Nos 4-9 of Group B, Properties Nos 20-29 of Group D and Properties Nos 31-32 of Group E by using direct comparison approach whenever market comparable transactions are available and assumed sale of the properties with the benefit of vacant possession.

We have valued Properties Nos 10-15 of Group C, Properties Nos 16-17 of Group D and Properties Nos 35 and 36 of Group E which are under development, on the basis that the properties will be developed and completed in accordance with the development proposals provided to us. We have assumed that the approvals for the development proposals have been obtained. In arriving at our opinion of market values, we have valued the properties by making reference to comparable transactions in the locality and have also taken into account the construction costs that will be expended to complete the developments to reflect the quality of the completed developments. We have also assumed that the proposed developments will comply with all the necessary local ordinances and regulations, and that the necessary occupation permit, certificate of compliance and all approvals, permits and consents from all relevant government authorities will be issued without onerous conditions and delay. The estimated total completed values of the developments are the estimated aggregate sale proceeds of all saleable units of the completed developments as at the date of valuation and, where appropriate, we have taken into account the sale proceeds of those units for which preliminary sales and purchase agreements/pre-sale contracts have been entered into.

In valuing Properties Nos 33 and 34 of Group E, we have assigned no commercial value to them as the land grant for Property No 33 and the State-owned Land Use Right Certificate for Property No 34 have yet to be obtained.

Valuation Assumptions and Conditions

In addition to the basis of valuation as set out above, our valuation is subject to the following assumptions and conditions:

Unexpired government lease term

Where appropriate, we have valued the property interests based on the unexpired terms of their respective government leases under which the property interests are held from the government.

Inspection and Measurement

We have inspected the exterior and, where possible, the interior of the properties valued. However, we have not carried out on-site measurements to verify the correctness of site areas and / or floor areas of the properties valued and have assumed that the site areas and floor areas shown on the documents handed to us are correct.

Title Documents and Encumbrances

We have caused sample ownership searches to be made at the Land Registry for the Hong Kong properties valued and have been provided with extracts of documents in respect of the titles to the property interests in the PRC. We have not scrutinized the original documents to verify the ownership and encumbrances or to ascertain any amendment which may or may not appear on the copies handed to us. We have relied to a very considerable extent on the information given to us by WPL and the legal opinion given by WPL's PRC legal advisors, Commerce & Finance Law Offices, and assumed the information is correct.

No allowance has been made in our valuation for any compensation, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which might be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests valued were free from encumbrances, restrictions, title defects and outgoings of any onerous nature which could affect their market values.

Whilst we have taken every care to investigate the title to the property interests valued, including examination of the copies of land grants provided by WPL and land registers obtained from the Land Registry for Hong Kong properties, we do not accept any liability for any interpretation which we have placed on such information, that is more properly the sphere of WPL's legal advisors.

Structural Condition

We have not been instructed to undertake any structural surveys or to test the services of the properties valued. Our valuation has therefore been undertaken on the basis that the properties valued were all in satisfactory repair and condition with services functioning satisfactorily and free of rot, infestation or any other structural defects.

Site Investigation

We have not been instructed to carry out any investigation on site to determine the suitability of the ground conditions and the services, etc. for any future development nor have we undertaken archaeological, ecological or environmental surveys for the properties valued. Our valuation is therefore on the basis that all these aspects, except as otherwise stated, are satisfactory and no extraordinary expenses or delays would be incurred during the construction period.

Contamination

We have not been instructed to arrange for any investigation to be carried out to determine whether any deleterious or hazardous material has been used in the construction of the properties valued and therefore assumed in our valuation that none of the said material was contained in the properties. However, should it be established subsequently that contamination exists at the properties or on any neighbouring land, or that the properties have been or are being put to any contaminative use, we reserve the right to adjust the values reported herein.

Source of Information

We have relied to a very considerable extent on information given by WPL and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, completion dates of buildings, development proposals, development programmes, estimated construction costs and cost spent, sales information, particulars of occupancies, incomes, interest attributable to WPL, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us and are therefore only approximations.

We have not verified the information provided to us by WPL and have assumed that it is correct. We have no reason to doubt the truth and accuracy of the information provided to us by WPL and/or its PRC legal advisor which is material to the valuation. We were also advised by WPL that no material facts have been omitted from the information provided.

Currency and Conversion Factor

Unless otherwise stated, all monetary terms quoted in this report are in Hong Kong Dollars (HK\$). Where appropriate, the exchange rates we have adopted in this report are RMB1 to HK\$1.135 and S\$1 to HK\$5.554 which were the prevailing exchange rates as at the date of valuation.

Remarks

In preparing our valuation report, we have complied with “The HKIS Valuation Standards on Properties (First Edition 2005)” published by the Hong Kong Institute of Surveyors, the RICS Appraisal and Valuation Standards (6th Edition) published by The Royal Institution of Chartered Surveyors and all the requirements contained in the provisions of Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

For property interests in Singapore, our valuation is with regard to the valuation works performed by our overseas company or alliance.

As advised by WPL, the potential tax liability which would arise on the disposal of the property interests held under or held through subsidiaries, associates or jointly controlled entities of WPL mainly includes profits tax (16.5%) for Hong Kong properties; business tax (5%), land appreciation tax (ranging from 30% to 60%) and corporate income tax (25%) for

the PRC properties; and income tax (17%) for Singapore properties. As advised by WPL, the potential tax liability attributable to WPL is estimated to be approximately HK\$1,057 million of which approximately HK\$62 million for properties in Group A and approximately HK\$995 million for properties in Groups B, C, D and E. WPL further advised that they have no intention to dispose of or transfer the relevant property interests in Group A. According to our standard practice and in the course of our valuation, we have neither verified nor taken into account such tax liability.

We enclose herewith our summary of values and valuation report.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited
Alex S L Ng
MRICS MHKIS RPS(GP)
Executive Director

Note: Alex S L Ng, MRICS, MHKIS, RPS(GP), has been a qualified valuer with Knight Frank Petty Limited since November 1995 and has 24 years' experience in the valuation of properties in Hong Kong and has been involved in the valuation of properties in the People's Republic of China and Asia Pacific regions since 1988.

Summary of Values

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
----	----------	---	------------------------------------	---

Group A – Property interests of completed investment properties attributable to WPL in Hong Kong and Singapore

1.	3rd to 24th Floors, Wheelock House, 20 Pedder Street, Central, Hong Kong	2,845,000,000	100%	2,845,000,000
2.	7th Floor, Cheung Hing Industrial Building, 12P Smithfield, Kennedy Town, Hong Kong	8,800,000	100%	8,800,000
3.	501 Orchard Road, Wheelock Place, Singapore	4,415,000,000	75.8%	3,346,570,000
Sub-total of Group A				6,200,370,000

Group B – Property interests attributable to WPL for sale in Hong Kong

4.	Various portions in World Tech Centre, 95 How Ming Street, Kwun Tong, Kowloon, Hong Kong	115,000,000	100%	115,000,000
5.	8 residential units and 5 car parking spaces, The Babington, 6D Babington Path, Mid-Levels West, Hong Kong	192,000,000	100%	192,000,000

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
6.	290 car parking spaces in Palm Cove, 168 Castle Peak Road, Castle Peak Bay, Tuen Mun, New Territories, Hong Kong	20,000,000	100%	20,000,000
7.	147 car parking spaces in Parc Oasis I (Towers 1-20), 5 Parc Oasis Road, 38 car parking spaces in Parc Oasis II (Towers 21-25), 30 Grandeur Road, 54 car parking spaces in Parc Oasis III (Towers 26-33), 31 Grandeur Road, Yau Yat Chuen, Kowloon, Hong Kong	41,700,000	100% interest in Phase I & III and 50% interest in Phase II	38,600,000
8.	25 car parking spaces in Metro Loft, 38 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong	9,400,000	100%	9,400,000
9.	4 car parking spaces in The Regalia, 33 King's Park Rise, Homantin, Kowloon, Hong Kong	1,400,000	40%	560,000
			Sub-total of Group B	375,560,000

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
Group C – Property interests attributable to WPL under development in Hong Kong and Singapore				
10.	2 Heung Yip Road, Wong Chuk Hang, Hong Kong	1,700,000,000	100%	1,700,000,000
11.	Nos 211, 211A, 211B, 211C, 213, 213A, 215, 215A, 215B and 215C Prince Edward Road West, Kowloon, Hong Kong	401,000,000	100%	401,000,000
12.	Lots Nos 1140K, 1511N and 1512X TS 25 at Ardmore Park, Ardmore II, Singapore	2,833,000,000	75.8%	2,147,414,000
13.	Lots Nos 966K and 968X TS 27 at Scotts Road, Scotts Square, Singapore	5,554,000,000	75.8%	4,209,932,000
14.	Lot No 1591N TS 24 at 29 Angullia Park, Orchard View, Singapore	1,111,000,000	75.8%	842,138,000
15.	Lot No 658X TS 25 at No 3 Ardmore Park, Ardmore 3, Singapore	1,577,000,000	75.8%	1,195,366,000
Sub-total of Group C				10,495,850,000

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
Group D – Property interests attributable to WPL for future development in Hong Kong				
16.	100 Belcher's Street, Kennedy Town, Hong Kong	14,900,000	100%	14,900,000
17.	135/137th equal and undivided shares, Kin Yu Building, No 46 Belcher's Street, Kennedy Town, Hong Kong	582,000,000	100%	582,000,000
18.	12 apartments, Nos 233-235 Prince Edward Road West, Kowloon, Hong Kong	61,900,000	100%	61,900,000
19.	51 units in Sui Wah House, Nos 39, 41, 43 & 45 Western Street and Nos 92, 94, 96 & 98 High Street, Sheung Wan, Hong Kong	200,000,000	100%	200,000,000
20.	2 residential units in 50 Kadoorie Avenue, Homantin, Kowloon, Hong Kong	15,000,000	100%	15,000,000
21.	437 lots in Demarcation Districts Nos 18 and 19, Lam Kam Road, Tai Po, New Territories, Hong Kong	45,000,000	100%	45,000,000

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
22.	506 lots in Demarcation Districts Nos 23 and 26, Ting Kok Road, Tai Po, New Territories, Hong Kong	51,500,000	100% interests in 500 lots 50% of 100% interest in 2 lots and 75% of 100% interest in 4 lots	51,331,000
23.	141 lots in Demarcation Districts Nos 12 and 14, Ting Kok Road, Tai Po, New Territories, Hong Kong	20,000,000	100%	20,000,000
24.	278 lots in Demarcation District No 26, Ting Kok Road, Tai Po, New Territories, Hong Kong	42,900,000	100% interest in 277 lots and 50% of 100% interest in 1 lot	42,778,000
25.	309 lots in Demarcation Districts Nos 17 and 23, Ting Kok Road, Tai Po, New Territories, Hong Kong	21,900,000	100%	21,900,000
26.	47 lots in Demarcation District No 26, Ting Kok Road, Tai Po, New Territories, Hong Kong	5,800,000	100%	5,800,000

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
27.	60 lots in Demarcation District No 19, Lam Kam Road, Tai Po, New Territories, Hong Kong	7,400,000	100%	7,400,000
28.	Lots Nos 45, 46, 47, 48B and 303 in Demarcation District No 376, Tuen Mun, New Territories, Hong Kong	2,000,000	100%	2,000,000
29.	Ping Shan Inland Lot No 6, Lot No 975 and the remaining portion of Lot 976 in Demarcation District No 131, Tuen Mun, New Territories, Hong Kong	36,000,000	100%	36,000,000
Sub-total of Group D				1,106,009,000

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
Group E – Property interests held through WPL’s associates and jointly controlled entities in Hong Kong and the PRC				
30.	Various units in the commercial block and various car parking spaces in Bellagio, 33 Castle Peak Road, Sham Tseng, Tsuen Wan, New Territories, Hong Kong	230,000,000	33.33%	76,667,000
31.	4 penthouse units and 19 car parking spaces in Parc Palais, 18 Wylie Road, Yau Ma Tei, Kowloon, Hong Kong	208,000,000	20%	41,600,000
32.	326 car parking spaces in Parc Royale, 8 Hin Tai Street, Shatin, New Territories Hong Kong	33,000,000	44%	14,520,000
33.	The Austin Station Development excluding the Railway Station Portions, Sites C and D, West Kowloon, Kowloon, Hong Kong	No commercial value	N/A	No commercial value

No	Property	Market Value in existing state as at 31 March 2010 HK\$	Interest attributable to WPL	Market Value in existing state as at 31 March 2010 attributable to WPL HK\$
34.	Three parcels of land situated at Nongchangcunweihui Shishanbanshichu, (western side of Keji North Road), Shishan Town, Nanhai District, Foshan City, Guangdong Province, The PRC	No commercial value	N/A	No commercial value
35.	Evian Uptown, Kuiqi Road North and Guilan Road West, Chancheng District, Foshan City, Guangdong Province, The PRC	1,698,000,000	50%	849,000,000
36.	Evian Town, Yuhe Road North Tianhong Road South and Fenjiang South Road East, Xincheng District, Foshan City, Guangdong Province, The PRC	2,634,000,000	50%	1,317,000,000
Sub-total of Group E				2,298,787,000
Grand total of Groups A to E (Property interests attributable to WPL)				20,476,576,000

Valuation Report

Group A – Property interests of completed investment properties attributable to WPL in Hong Kong and Singapore

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
1. 3rd to 24th Floors, Wheelock House, 20 Pedder Street, Central, Hong Kong	Wheelock House is a 25-storey (including a basement) commercial/office building completed in 1984.	Majority of the property is let under various tenancies mostly for terms of two or three years with the latest one expiring in June 2013 yielding a total monthly rental income of approximately HK\$9,490,000 exclusive of rates and management fees.	HK\$2,845,000,000 (100% interest)
6,560/11,022nd equal and undivided shares of and in Section A, Section C and the remaining portion of Marine Lot No 99 and Section A, Section B and the remaining portion of Marine Lot No 100	The property comprises 21 consecutive office floors (except common areas) of the building with a total gross area of approximately 18,215.35 sq m (196,070 sq ft). Marine Lot No 99 and Marine Lot No 100 are each held under their respective government leases for a term of 999 years commencing from 16 November 1855. The total annual government rent payable for all the lot sections is HK\$210.	5th floor of the property is let to Wheelock Properties (HK) Limited, a related party of WPL, at a monthly rental of approximately HK\$376,000 exclusive of rates and management fees. 23/F and 24/F are owner-occupied at a monthly rental of approximately \$638,000 exclusive of rates and management fees. These rentals have been included in the above total monthly rental income of HK\$9,490,000.	(100% interest attributable to WPL: HK\$2,845,000,000)

Notes:

- (1) The registered owner of the property is Marnav Holdings Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within an area zoned "Commercial" under Central District Outline Zoning Plan No S/H4/12 dated 28 February 2003.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
2. 7th Floor, Cheung Hing Industrial Building, 12P Smithfield, Kennedy Town, Hong Kong	Cheung Hing Industrial Building is a 12-storey (excluding cockloft) industrial building completed in 1972.	The property is subject to a tenancy for a term of 3 years from 3 September 2008 at a monthly rental of approximately HK\$45,000 exclusive of rates and management fees.	HK\$8,800,000 (100% interest) (100% interest attributable to WPL: HK\$8,800,000)
9/115th equal and undivided shares of and in the remaining portion of Section A of Inland Lot No 4097	The property comprises a workshop unit and lavatories on the whole of the 7th floor of the building with a gross area of approximately 705.78 sq m (7,597 sq ft).		
	Inland Lot No 4097 is held under a government lease for a term of 75 years commencing from 14 January 1935 renewable for 75 years. The annual government rent payable for the lot section is approximately HK\$9,000.		

Note:

- (1) The registered owner of the property is Titano Limited, a wholly-owned subsidiary of WPL.
- (2) The property is subject to an Order No DRZ/U04-02/0001/06A by the Building Authority under Section 28(3) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) in respect of common drains vide memorial no 09052201390093 dated 6 March 2008.
- (3) The property lies within an area zoned "Residential (Group A)" under draft Kennedy Town and Mount Davis Outline Zoning Plan No S/H1/17 dated 26 March 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
3. 501 Orchard Road, Wheelock Place, Singapore Lot No 1547M TS 24	<p>Wheelock Place is a 21-storey retail-cum-office development comprising two basements, a 5-storey shopping-cum-office podium and a 16-storey office tower block. The two basements accommodate about 266 car park lots, 2 lorry lots for loading/unloading and retail space. The development was completed in the mid 1990s.</p> <p>It is located at the Orchard Road shopping-cum-tourist belt and within walking distance from the Orchard Road MRT Station.</p> <p>The property comprises all the units within the building with total net floor areas of approximately 13,358.80 sq m (143,794 sq ft) for retail use and 16,775.40 sq m (180,570 sq ft) for office use.</p> <p>Lot No 1547M TS 24 is held for a term of 99 years commencing from 15 September 1990.</p>	Both the office tower block and the retail podium were almost fully tenanted with 1 vacant unit in each portion as at 31 March 2010. The total monthly rental income is approximately S\$3,839,000 inclusive of service charge but excluding turnover rent and car park and other income.	4,415,000,000 (100% interest) (75.8% interest attributable to WPL: HK\$3,346,570,000)

Notes:

- (1) The registered owner of the property is Everbilt Developers Pte Ltd. in which WPL has an attributable interest of 75.8%.
- (2) The property lies within an area zoned "Commercial" under Master Plan 2008.

Group B – Property interests held by WPL for sale in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
4. Various portions in World Tech Centre, 95 How Ming Street, Kwun Tong, Kowloon, Hong Kong 153,499/427,554th equal and undivided shares of and in the remaining portion of Kwun Tong Inland Lot No 195	World Tech Centre is a 20-storey industrial building with ancillary parking spaces completed in 1992. The property comprises various industrial units on the 3rd and 11th floors and a clubhouse on the roof of the building with a total gross area of approximately 4,485.69 sq m (48,284 sq ft). The property also comprises 10 covered private car parking spaces, 11 covered van parking spaces, 21 covered lorry parking spaces and 1 covered container parking space located on the ground floor of the building. Kwun Tong Inland Lot No 195 is held under a government lease which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.	The industrial units are let under coterminous leases of three years expiring in August 2011, yielding a total monthly rental of approximately HK\$476,000 exclusive of rates and management fee. The car parking spaces are let on hourly or monthly basis yielding an average monthly gross income of approximately HK\$136,000 during the period from April 2009 to March 2010.	HK\$115,000,000 (100% interest) (100% interest attributable to WPL: HK\$115,000,000)

Notes:

- (1) The property comprises Units A, B, C, D, E, F, G, H, J and K on 3/F, Units B, C, D, F, G, H, J and K on 11/F and reserved undivided shares on the roof, private car parking space Nos PG-1 on G/F, P1-1 to P1-7 on 1/F and P2-1 to P2-2 on 2/F, van parking space Nos VG-1 and VG-2 on G/F, V1-1 to V1-6 on 1/F, V2-1 to V2-3 on 2/F, lorry parking space Nos L1-1 to L1-10 on 1/F and L2-1 to L2-11 on 2/F and container parking space No CG-1 on G/F in World Tech Centre.
- (2) The registered owner of the property is Pachino Limited, a wholly-owned subsidiary of WPL.
- (3) The property lies within an area zoned "Other Specified Uses (Business)" under Kwun Tong South Outline Zoning Plan No S/K14S/16 dated 12 September 2008.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
<p>5. 8 residential units and 5 car parking spaces, The Babington, 6D Babington Path, Mid-Levels West, Hong Kong</p> <p>820/3,575th equal and undivided shares of and in the remaining portion of Section D of Inland Lot No 609C and the remaining portion of Inland Lot No 609C</p>	<p>The Babington is a 30-storey residential development with associated recreational and car parking facilities completed in 2010.</p> <p>The property comprises 2 duplex units, a garden unit and 5 apartments with a total gross area of approximately 1,091.79 sq m (11,752 sq ft) and a total saleable area of approximately 812.80 sq m (8,749 sq ft). The property also comprises a total flat roof and roof areas of approximately 139.26 sq m (1,499 sq ft) and a total of 5 car parking spaces.</p> <p>Inland Lot No 609C is held under a government lease for a term of 997 years commencing from 25 June 1862. The annual government rent payable for the lot is HK\$48.</p>	<p>The property is vacant.</p>	<p>HK\$192,000,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$192,000,000)</p>

Notes:

- (1) The property comprises Garden House A (with flat roof) on 3/F & 5/F, Flats B on 23/F, 25/F and 26/F, Flats A on 25/F and 27/F, Penthouse Unit 1 on 29/F & 30/F, Penthouse Unit 3 (with flat roof) on 31/F & 32/F and roof floors and car parking space Nos P1 and P2, P10, P11 and P13 in The Babington.
- (2) The registered owner of the property is Janeworth Company Limited, a wholly-owned subsidiary of WPL.
- (3) The property lies within an area zoned for "Residential (Group A)" in Mid-Levels West Outline Zoning Plan No S/H11/15 dated 19 March 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
6. 290 car parking spaces in Palm Cove, 168 Castle Peak Road, Castle Peak Bay, Tuen Mun, New Territories, Hong Kong 3,770/26,385th equal and undivided shares of and in Tuen Mun Town Lot No 386	<p>Palm Cove is a residential development comprising five high-rise residential buildings with ancillary recreational and car parking spaces completed in 2002.</p> <p>The property comprises 290 covered car parking spaces within the development.</p> <p>Tuen Mun Town Lot No 386 is held under New Grant No 3185 for a term from 16 February 1996 to 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.</p>	<p>The property is let under various monthly licences yielding an average monthly gross income of approximately HK\$51,000 during the period from April 2009 to March 2010.</p>	<p>HK\$20,000,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$20,000,000)</p>

Notes:

- (1) The registered owner of the property is Janeworth Company Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within an area zoned "Residential (Group B)" under draft Tuen Mun Outline Zoning Plan No S/TM/26 dated 16 October 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
7. 147 car parking spaces in Parc Oasis I (Towers 1-20), 5 Parc Oasis Road, 38 car parking spaces in Parc Oasis II (Towers 21-25), 30 Grandeur Road, 54 car parking spaces in Parc Oasis III (Towers 26-33), 31 Grandeur Road, Yau Yat Chuen, Kowloon, Hong Kong	<p>Parc Oasis is a residential development comprising 3 phases (Phases I,II and III), with a total of 32 medium-rise residential buildings, ancillary recreational and car parking spaces completed in phases between 1992 and 1995.</p> <p>The property comprises 147 covered car parking spaces in Phase I, 38 covered car parking spaces in Phase II and 54 covered car parking spaces in Phase III within the development.</p>	<p>The car parking spaces in Phase I and Phase II are let under various monthly licences yielding an average monthly gross income of approximately HK\$19,400 and HK\$9,400 respectively during the period from April 2009 to March 2010. The car parking spaces in Phase III are vacant.</p>	<p>HK\$41,700,000 (100% interest)</p> <p>(100% interest attributable to WPL for Phase I and Phase III: HK\$35,500,000)</p> <p>(50% interest attributable to WPL for Phase II: HK\$3,100,000)</p>
1,470/123,214th equal and undivided shares of and in New Kowloon Inland Lot No 5983	New Kowloon Inland Lot No 5983 is held under Conditions of Sale No UB12088 for a term from 28 December 1989 to 30 June 2047.		
380/21,437th equal and undivided shares of and in New Kowloon Inland Lot No 6165	New Kowloon Inland Lot No 6165 is held under Conditions of Sale No UB12165 for a term from 15 August 1991 to 30 June 2047.		
540/38,952nd equal and undivided shares of and in New Kowloon Inland Lot No 6161	New Kowloon Inland Lot No 6161 is held under Conditions of Sale No 12187 for a term from 17 December 1991 to 30 June 2047.		
	The annual government rent payable for the property is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

- (1) The registered owner of the property in Phase I is Grannis Limited, a wholly-owned subsidiary of WPL.
- (2) The registered owners of the property in Phase II are Jade Queen Properties Limited (1/2nd share) and Whole Result Limited (1/2nd share) holding the property as tenants in common. Whole Result Limited is a wholly-owned subsidiary of WPL.
- (3) The registered owner of the property in Phase III is Warhol Company Limited, a wholly-owned subsidiary of WPL.
- (4) The property lies within an area zoned "Residential (Group C)7" under draft Shek Kip Mei Outline Zoning Plan No S/K4/24 dated 9 April 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
8. 25 car parking spaces in Metro Loft, 38 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong 507/33,332nd equal and undivided shares of and in Kwai Chung Town Lot No 448	Metro Loft is a 23-storey industrial development with ancillary car parking spaces completed in 2003. The property comprises 18 covered private car parking spaces and 7 covered lorry parking spaces within the development. Kwai Chung Town Lot No 448 is held under New Grant No TW6891 for a term from 14 January 1993 to 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.	The car parking spaces are let under various monthly licences yielding an average monthly gross income of about HK\$32,000 during the period from April 2009 to March 2010.	HK\$9,400,000 (100% interest) (100% interest attributable to WPL: HK\$9,400,000)

Notes:

- (1) The property comprises 18 private parking spaces, Nos 1 to 4 on G/F, Nos 1, 23, 28, 29, 30 and 31 on 1/F, Nos 5 and 19 on 2/F and Nos 6, 10, 13, 15, 27 and 37 on 3/F and 17 lorry parking spaces Nos L8 to L13 and L15 on G/F of Metro Loft.
- (2) The registered owner of the property is Titano Limited, a wholly-owned subsidiary of WPL.
- (3) The property lies within an area zoned "Industrial" under draft Kwai Chung Outline Zoning Plan No S/KC/23 dated 24 December 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
9. 4 car parking spaces in The Regalia, 33 King's Park Rise, Homantin, Kowloon, Hong Kong 8/7,246th equal and undivided shares of and in Kowloon Inland Lot No 11001	The Regalia is a residential development comprising four high-rise residential buildings with ancillary recreational and car parking spaces completed in 1995. The property comprises 4 covered car parking spaces within the development. Kowloon Inland Lot No 11001 is held under Conditions of Sale No 12186 for a term from 17 December 1991 to 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.	The property is vacant.	HK\$1,400,000 (100% interest) (40% interest attributable to WPL: HK\$560,000)

Notes:

- (1) The property comprises car parking space No 71 on Basement Level 2 and car parking space Nos 16, 49 and 94 on Basement Level 3 in The Regalia.
- (2) The registered owners of the property are Python Company Limited (4/10th shares) and others (6/10th shares) with them holding the property as tenants in common. Python Company Limited is a wholly-owned subsidiary of WPL and the attributable interest in the property to WPL is 40%.
- (3) The property lies within an area zoned "Residential (Group B)" under Yau Ma Tei Outline Zoning Plan No S/K2/20 dated 16 May 2008.

Group C – Property interests attributable to WPL under development in Hong Kong and Singapore

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
10. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong	The property comprises a rectangular shape site with a site area of 4,552.20 sq m (49,000 sq ft) or thereabouts.	The property is under construction.	HK\$1,700,000,000 (100% interest)
Aberdeen Inland Lot No 374	<p>The property is proposed to be developed into a 28-storey (excluding a refuge floor) commercial building accommodating commercial units on ground floor, office units on upper floors and 256 private parking spaces, 22 lorry parking spaces, 26 motorcycle parking spaces and 13 lorry loading / unloading bays. Upon completion, the development will provide a total gross floor area (excluding car parking spaces) of approximately 68,487.38 sq m (737,198 sq ft). The proposed development is scheduled to complete in about October 2010.</p> <p>Aberdeen Inland Lot No 374 is held under Conditions of Sale No UB10049 for a term of 75 years commencing from 29 October 1971 renewable for a further term of 75 years. The annual government rent payable for the lot is HK\$1,124.</p>		(100% interest attributable to WPL: HK\$1,700,000,000)

Notes:

- (1) The registered owner of the property is Samover Company Limited, a wholly-owned subsidiary of WPL.
- (2) The property is subject to a Modification Letter vide Memorial No UB2285197 dated 30 June 1982. As advised, a proposed Modification Letter is under execution process and land premium and administration fees in respect of the proposed lease modification have been fully paid as the date of valuation.
- (3) The property is subject to an Offer and Acceptance Letter, a Supplement Agreement and a Second Supplemental Agreement in respect of 22/F, 23/F, 25/F to 31/F and a portion of the main roof, in favour of Lucky Ever International Limited vide Memorial No 07120601970029, 08040102050015 and 08073101630035 dated 9 November 2007, 26 February 2008 and 17 July 2008 respectively. Lucky Ever International Limited is a related party of WPL.

- (4) Use and development of the property is generally governed by the Conditions of Sales of Aberdeen Inland Lot No 374, as varied and modified by the subsequent Modification Letter dated 30 June 1982 and the proposed Modification Letter from the Lands Department on 16 March 2010 (as advised by WPL), which (as per the proposed Modification Letter) mainly restricts use and development of the property to the following:

Use : Non-industrial (excluding residential, godown, hotel and petrol filling station) purposes

Gross Floor Area : Shall not be less than 41,092 sq m and shall not exceed 68,487.54 sq m

Building height : Not to exceed 120m above Hong Kong Principal Datum

Car parking space : **Motor Vehicle**
Office use – 1 space for every 200 sq m for the 1st 15,000 sq m & 1 space for every 300 sq m for the remaining area plus 3 additional spaces; and
Other use – 1 space for every 300 sq m plus 3 additional spaces

Motorcycle

10% of the total number of spaces for motor vehicles

Loading / Unloading Bays

Office use – 1 space for every 2,400 sq m

Other use – 1 space for every 900 sq m

- (5) As advised by WPL, the estimated total construction cost to complete the proposed development was approximately HK\$587,023,000 (excluding professional fees of approximately HK\$23,026,000) and the construction cost already expended was approximately HK\$385,337,000 (excluding professional fees of approximately HK\$19,147,000) as at the date of valuation.
- (6) As advised by WPL, 20,895.11 sq m (224,915 sq ft) of the office area has been sold to a related party of WPL at a consideration of HK\$449,830,000, subject to adjustment on determination of the final area. The estimated total completed value of the proposed development as at the date of valuation was approximately HK\$2,343,000,000.
- (7) The property lies within an area zoned “Other Specified Uses (1) (Business)” in draft Aberdeen and Ap Lei Chau Outline Zoning Plan S/H15/25 dated 7 May 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
11. Nos 211, 211A, 211B, 211C, 213, 213A, 215, 215A, 215B and 215C Prince Edward Road West, Kowloon, Hong Kong	The property is a rectangular Class A site with a site area of 1,703.60 sq m (18,338 sq ft) or thereabouts.	The property is undergoing foundation works.	HK\$401,000,000 (100% interest)
The remaining portion of Kowloon Inland Lot No 2340	The property is proposed to be developed into a private residential development with associated car parking spaces. The scheduled completion is around September 2012.		(100% interest attributable to WPL: HK\$401,000,000)
	Kowloon Inland Lot No 2340 is held under a government lease for a term of 75 years commencing from 12 May 1930 renewable for 75 years at an annual government rent of approximately HK\$5,400 for the lot section.		

Notes:

- (1) The registered owner of the property is Titano Limited, a wholly-owned subsidiary of WPL.
- (2) The property is subject to a Letter from the Registrar General (Land Officer) approving on certain conditions the modification of government lease covenants vide memorial no UB285634 dated 20 November 1957.
- (3) As per the government lease as modified by the Letter from the Registrar General (Land Officer) approving on certain conditions, use and development of the property are subject to the following salient conditions:—
 - i)

Height	Maximum roofed over area
5 storeys	40% of the lot area
6 storeys	35% of the lot area
7-9 storeys	30% of the lot area
10-12 storeys	27.5% of the lot area
 - ii) Provision for car parking to be made within the lot boundaries (excluding the 20 ft. set back) at the rate of not less than 1 car park per flat.
 - iii) No portion of the building to be within 20 ft. of Prince Edward Road and the frontage of the building not to exceed 75% of the lot frontage and the rest of the building not to exceed 170 ft above Principal Datum.
 - iv) The lot to be used for residential purposes only.
 - v) Non-offensive trade clause.
- (4) As advised by WPL, the proposed gross floor area of the completed development on the property is approximately 8,517.57 sq m (91,683 sq ft) with 66 private car parking spaces, 7 motorcycle parking spaces and 1 loading and unloading bay. Lease modification to release the development control under the lease is in process, which is subject to the payment of land premium.

- (5) As advised by WPL, the estimated total construction cost to complete the proposed development was approximately HK\$238,400,000 (excluding professional fees of approximately HK\$8,725,000) and the construction cost already expended was approximately HK\$12,648,000 (excluding professional fees of approximately HK\$4,352,000) as at the date of valuation.
- (6) The estimated total completed value of the proposed development, as at the date of valuation, was approximately HK\$1,042,000,000.
- (7) The property lies within an area zoned "Residential Group (B)" under Ho Man Tin Outline Zoning Plan No S/K7/20 dated 15 May 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
12. Lots Nos 1140K, 1511N and 1512X TS 25 at Ardmore Park, Ardmore II, Singapore	Ardmore II is a proposed condominium development planned on a site with a total site area of approximately 8,326.80 sq m (89,630 sq ft). Upon completion, the proposed development will provide two 36-storey blocks accommodating a total of 118 units of apartments together with a basement car park, swimming pool and communal facilities. The development is scheduled to complete in the 1st half of 2010.	The property is in the final stage of construction.	HK\$2,833,000,000 (100% interest) (75.8% interest attributable to WPL: HK\$2,147,414,000)
	The total gross floor area of the proposed development is approximately 25,638.50sq m (275,973 sq ft) including additional balcony GFA of approximately 2,323.42 sq m (25,009 sq ft). The proposed net floor area is approximately 22,177.00 sq m (238,713 sq ft), subject to final survey.		
	Lot Nos 1140K, 1511N and 1512X TS 25 are held in fee simple (Grant No 23, District of Claymore).		

Notes:

- (1) The registered owner of the property is Actbilt Pte Limited, in which WPL has an attributable interest of 75.8%.
- (2) As advised by WPL, the estimated total construction cost to complete the proposed development was approximately S\$99,823,900 (excluding professional fees of approximately S\$4,714,000) and the construction cost already expended was approximately S\$91,624,265 (excluding professional fees of approximately S\$3,825,000) as at the date of valuation.
- (3) As advised by WPL, all 118 units have been sold with total sale proceeds of approximately S\$560,731,202.
- (4) The property lies within an area zoned "Residential" under Master Plan 2008 as at the date of valuation.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
13. Lots Nos 966K and 968X TS 27 at Scotts Road, Scotts Square, Singapore	<p>Scotts Square is a proposed commercial-cum-residential development planned on a site with a total site area of approximately 6,608.80 sq m (71,137 sq ft). Upon completion, the proposed development will provide a 34/43-storey residential block (namely Tower 1) with a 3-storey commercial podium and a 25/34-storey residential block (namely Tower 2) accommodating a total of 338 units of apartments together with a basement shop, a basement car park, 3-storey podium car park, swimming pool and communal facilities. The development is scheduled to complete in the 4th quarter of 2011.</p> <p>The total gross floor area of the proposed development is approximately 42,699.24 sq m (459,615 sq ft) (including additional balcony GFA of approximately 814.20 sq m). The proposed breakdown of the net floor area between commercial and residential portions is 7,100.00 sq m (76,424 sq ft) and 27,194.60 sq m (292,723 sq ft) respectively (subject to final survey).</p> <p>Lot Nos 966K and 968X TS 27 are held in fee simple (Grant No 34, District of Claymore).</p>	The property is under construction.	<p>HK\$5,554,000,000 (100% interest)</p> <p>(75.8% interest attributable to WPL: HK\$4,209,932,000)</p>

Notes:

- (1) The registered owner of the property is Wheelock Properties (Singapore) Limited, in which WPL has an attributable interest of 75.8%.
- (2) As advised by WPL, the estimated total construction cost of the proposed development was approximately S\$178,447,497 (excluding professional fees of approximately S\$9,955,000) and the construction cost already expended was approximately S\$62,309,304 (excluding professional fees of approximately S\$6,191,000) as at the date of valuation.
- (3) As advised by WPL, preliminary sale and purchase agreements in respect of a total of 21,145.40 sq m (227,609 sq ft) of the residential net floor area have been entered into for total sale proceeds of approximately S\$908,985,543 as at the date of valuation. The estimated total completed value of the proposed development, as at the date of valuation, was approximately S\$1,467,000,000.
- (4) The property lies within an area zoned "Commercial & Residential" under Master Plan 2008.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
14. Lot No 1591N TS 24 at 29 Angullia Park, Orchard View, Singapore	Orchard View is a proposed residential development planned on a site with a site area of approximately 2,701.40 sq m (29,078 sq ft). Upon completion, the proposed development will provide a 36-storey residential block accommodating a total of 30 units of apartments together with basement car park, swimming pool and communal facilities. The development is scheduled to complete in the 1st half of 2010.	The property is in the final stage of construction.	HK\$1,111,000,000 (100% interest) (75.8% interest attributable to WPL: HK\$842,138,000)
	The total gross floor area of the proposed development is approximately 8,319.92 sq m (89,556 sq ft) including additional balcony GFA of approximately 756.00sq m (8,138 sq ft). The proposed net floor area of the development is approximately 7,051.34 sq m (75,901 sq ft).		
	Lot No 1591N TS 24 is held in fee simple (Grants Nos 2 & 29, District of Tanglin and Claymore respectively).		

Notes:

- (1) The registered owner of the property is Bestbilt Pte Ltd, in which WPL has an attributable interest of 75.8%.
- (2) As advised by WPL, the estimated total construction cost of the proposed development was approximately S\$32,422,097 (excluding professional fees of approximately S\$1,798,000) and the construction cost already expended was approximately S\$30,118,026 (excluding professional fees of approximately S\$1,497,000) as at the date of valuation.
- (3) As advised by WPL, preliminary sale and purchase agreements have been entered into in respect of a total residential net floor area of approximately 1,175.22 sq m (12,650 sq ft) and for total sale proceeds of approximately S\$39,515,648 as at the date of valuation. The estimated total completed value of the proposed development, as at the date of valuation, was approximately S\$223,000,000.
- (4) The property lies within an area zoned "Residential" under Master Plan 2008.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
15. Lot No 658X TS 25 at No 3 Ardmore Park, Ardmore 3, Singapore	<p>Ardmore 3 is a proposed condominium development planned on a site with a site area of approximately 5,107.90 sq m (54,981 sq ft). Upon completion, the proposed development will provide a 36-storey residential block accommodating a total of 84 units of apartments together with a basement car park, swimming pool and communal facilities. The development is scheduled to complete in 2014.</p> <p>The total gross floor area of the proposed development is approximately 15,731.80 sq m (169,337 sq ft) including additional balcony GFA of approximately 1,429.70 sq m (15,389 sq ft).</p> <p>Lot No 658X TS 25 is held in fee simple (Grant No 23, District of Claymore).</p>	Piling work is expected to commence in mid 2010.	<p>HK\$1,577,000,000 (100% interest)</p> <p>(75.8% interest attributable to WPL: HK\$1,195,366,000)</p>

Notes:

- (1) The registered owner of the property is Bontanica Pte Ltd., in which WPL has an attributable interest of 75.8%.
- (2) The estimated total completed value of the proposed development, as at the date of valuation, was approximately S\$447,600,000.
- (3) The property lies within an area zoned "Residential" under Master Plan 2008.

Group D – Property interests held by the WPL Group for future development in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
16. 100 Belcher's Street, Kennedy Town, Hong Kong The remaining portion of Inland Lot No 906	The property comprises a level site at Belcher's Street, near its junction with Smithfield with a site area of approximately 153.75 sq m (1,655 sq ft). The property is being occupied as an open car park. Inland Lot No 906 is held under a government lease for a term of 999 years commencing from 24 June 1883 at an annual government rent of HK\$18 for the lot section.	The property is currently let under a licence for a term expiring in December 2010 at a monthly licence fee of HK\$8,000 exclusive of rates.	HK\$14,900,000 (100% interest) (100% interest attributable to WPL: HK\$14,900,000)

Notes:

- (1) The registered owner of the property is Zarow Limited, a wholly-owned subsidiary of WPL.
- (2) As per information provided, the property is proposed to be developed into a single storey commercial building with a total gross floor area of approximately 150.50 sq m (1,620 sq ft.). The scheduled commencement date and completion date of the proposed development are around September 2011 and September 2012 respectively. The estimated total construction cost to complete the proposed development is approximately HK\$4,950,000 excluding professional fees.
- (3) The property lies within an area zoned "Residential (Group A)" under draft Kennedy Town and Mount Davis Outline Zoning Plan No S/H1/17 dated 26 March 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
17. 135/137th equal and undivided shares, Kin Yu Building, No 46 Belcher's Street, Kennedy Town, Hong Kong	Kin Yu Building is a 10-storey private commercial/ residential building (including ground floor) completed in 1965. The ground floor of the building is designated for commercial purpose while the upper floors are planned for residential purpose. The building is standing on a site with a site area of approximately 1,033.54 sq m (11,125 sq ft).	The property is vacant.	HK\$582,000,000 (100% interest)
135/137th equal and undivided shares of and in the remaining portion of Inland Lot No 953	The property comprises 14 shop units and 120 residential units (with their respective yards/flat roofs/roofs) of the building with total salable area (excluding yards, flat roofs and roofs) of approximately 5,214.47 sq m (56,129 sq ft). Inland Lot No 953 is held under a government lease for a term of 999 years commencing from 24 June 1892. The annual government rent payable for the subject section of the lot is HK\$148.		(100% interest attributable to WPL: HK\$582,000,000)

Notes:

- (1) The property comprises all the shop and residential units except Flat K on 2/F and Flat K on 4/F in Kin Yu Building.
- (2) The registered owners of the property are as follows:-
- Flat F on 1/F & Flat Roof, Flat H on 1/F & Flat Roof and Flat E on 2/F : Talent Play Limited, a wholly-owned subsidiary of WPL
- The remaining portion of the property : Universal Sight Limited, a wholly-owned subsidiary of WPL
- (3) The property is subject to the following:
- i) Sealed copy notice of application to Lands Tribunal for an Order for Sale vide memorial no 08111002510627 dated 6 November 2008.
 - ii) Various units of the property are subject to a deed of confirmatory release in relation to memorial nos UB485735, UB505834, UB514375, UB518332 & UB686726 vide memorial no 09011901410211 dated 8 January 2009.
 - iii) Various building orders and notices.

- iv) Sealed copy amended notice of application to Lands Tribunal for order for sale vide memorial no 09060102280201 dated 29 May 2009.
 - v) Sealed copy of re-amended notice of application to Lands Tribunal for an order for sale vide memorial no 09073102980215 dated 29 July 2009.
 - vi) Sealed copy of notice of application to Lands Tribunal for an order for sale under land with plans vide memorial no 10020803020203 dated 2 February 2010.
 - vii) Chinese sealed copy judgment vide memorial no 10040903110022 dated 12 March 2010.
- (4) In accordance with the Notice of Application to Lands Tribunal for an Order for Sale and the amendments and the judgment dated 12 March 2010, the determined total existing use value of the property is HK\$272,780,000 and the total existing use value of the minority interest of the building (ie Flat K on 2/F and Flat K on 4/F) is HK\$3,040,000, as at 7 August 2008 and the determined reserve price for the property for public auction is HK\$588,000,000. In the course of our valuation, we have taken into account the aforesaid and valued the property on its redevelopment basis and notionally apportioned the assessed redevelopment value of the site to the property by the existing use values as determined by the Lands Tribunal.
- (5) Pursuant to the government lease for Inland Lot No 953, use and development of the lot is virtually unrestricted except the usual non-offensive trade clause.
- (6) As advised by WPL, the site is proposed to be developed into a commercial / residential development with a total gross floor area of approximately 8,010.00 sq.m. (86,220 sq.ft) for domestic use and 483.47 sq.m. (5,204 sq.ft) for non-domestic use together with the associated parking spaces. The proposed redevelopment of the site, subject to unifying the ownership, is scheduled to be completed in about mid 2014. The estimated total construction cost to complete the proposed development is approximately HK\$198,000,000 (excluding professional fees).
- (7) The property lies within an area zoned "Residential (Group A)" under draft Kennedy Town & Mount Davis Outline Zoning Plan No S/H1/17 dated 26 March 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
18. 12 apartments, Nos 233-235 Prince Edward Road West, Kowloon, Hong Kong	Nos 233-235 Prince Edward Road is a 5-storey tenement building erected over a ground floor carport completed in 1959.	The property is vacant except Units A and C on 1/F which are let for terms of 2 years expiring in August and September 2010 respectively yielding a total monthly rental of approximately HK\$24,000 inclusive of rates and management fees.	HK\$61,900,000 (100% interest)
12/36th undivided shares of and in Section C and Section D of Kowloon Inland Lot No 2358	The property comprises 12 residential units, with a total saleable area of approximately 962.10 sq m (10,356 sq ft). Kowloon Inland Lot No 2358 is held under a government lease for a term of 75 years commencing from 23 June 1930 renewable for 75 years. The annual government rent payable for the property is approximately HK\$76.		(100% interest attributable to WPL: HK\$61,900,000)

Notes:

- (1) The property comprises Apartments A, B, and C on 1/F; Apartment B on 2/F, Apartments A and D on 3/F, Apartments C and E on 4/F, Apartments A, B, C and D on 5/F of Nos 233-235 Prince Edward Road West.
- (2) The registered owner of the property is Leading Faith Group Limited, a wholly-owned subsidiary of WPL.
- (3) The property lies within an area zoned "Residential Group (B)" under Ho Man Tin Outline Zoning Plan No S/K7/20 dated 15 May 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
<p>19. 51 units in Sui Wah House, Nos 39, 41, 43 & 45 Western Street and Nos 92, 94, 96 & 98 High Street, Sheung Wan, Hong Kong</p> <p>51/68th equal and undivided shares of and in Section B, Section C and Section D of Inland Lot No 767</p>	<p>Sui Wah House is a 9-storey commercial/ residential building (including a basement floor, ground floor and a mezzanine floor) completed in 1960. The basement facing Western Street is planned for storage purposes. The ground floor of the building is designated for non-domestic use while the upper floors are planned for domestic use.</p> <p>The property comprises 6 shop units on ground floor and 45 residential units on the upper floors of the building with a total salable area (excluding a yard and roofs) of approximately 3,009.01 sq m (32,389 sq ft).</p> <p>Inland Lot No 767 is held under a government lease for a term of 999 years commencing from 7 January 1862. The annual government rent payable for the lot sections is HK\$6.</p>	<p>9 units of the property are subject to their respective tenancies for terms of 5 months to 3 years with the latest one expiring in July 2012 yielding a total monthly rental income of approximately HK\$56,200 with majority inclusive of rates and management fees. The remaining portion of the property is vacant.</p>	<p>HK\$200,000,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$200,000,000)</p>

Notes:

- (1) The property comprises G/F, M/F, 1/F to 3/F, 5/F, 6/F and Roof of 39 Western Street, G/F, 1/F, 2/F and 5/F of 41 Western Street, G/F, 1/F to 3/F, 5/F, 6/F and Roof of 43 Western Street, G/F, 1/F, 2/F, 4/F, 5/F, 6/F and Roof of 45 Western Street, 2/F, 3/F, 5/F, 6/F, 7/F and Roof of 92 High Street, 1/F to 4/F, 6/F, 7/F and Roof of 94 High Street, G/F, M/F, 2/F to 7/F and Roof of 96 High Street and G/F to 7/F and Roof of 98 High Street of Sui Wah House.
- (2) The registered owner of the property is Meritgold Holdings Limited, a wholly-owned subsidiary of WPL.
- (3) The property lies within an area zoned "Residential (Group A)" under Sai Ying Pun & Sheung Wan Outline Zoning Plan No S/H3/23 dated 5 February 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
20. 2 residential units in 50 Kadoorie Avenue, Homantin, Kowloon, Hong Kong 2/4th equal and undivided shares of and in Sub-Section 1 of Section A of Kowloon Inland Lot No 2340.	50 Kadoorie is a 4-storey residential building completed in 1956. The property comprises the G/F and 2/F of the building with a total saleable area of approximately 198.63 sq m (2,138 sq ft). Kowloon Inland Lot No 2340 is held under a government lease for a term of 75 years commencing from 12 May 1930 renewable for a further term of 75 years at an annual government rent of HK\$4,104.	The property is vacant.	HK\$15,000,000 (100% interest) (100% interest attributable to WPL: HK\$15,000,000)

Notes:

- (1) The registered owner of the property is Bright Man Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within an area zoned "Residential (Group B)" in Ho Man Tin Outline Zoning Plan S/K7/20 dated 15 May 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
21. 437 lots in Demarcation Districts Nos 18 and 19, Lam Kam Road, Tai Po, New Territories, Hong Kong	<p>The property comprises 437 lots on various pieces of flat land either contiguous or scattered around the villages of She Shan Tsuen, Pak Tin Kong, Ko Tin Hom, Sheung Tin Liu Ha and Ha Tin Liu Ha. The total site area is approximately 153,686.27 sq m (1,654,279 sq ft). The lots are restricted for agricultural purposes.</p> <p>Demarcation District Nos 18 and 19 are each held under their respective block government leases each for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.</p>	<p>Portions of the property are let under 10 licences with the latest one expiring in March 2013 yielding a total monthly income of approximately HK\$2,225.</p> <p>The remainder of the property appears to be over-grown with wild vegetation.</p>	<p>HK\$45,000,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$45,000,000)</p>

Notes:

- (1) The registered owner of the property is Gettenwood Company Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within areas zoned "Agriculture", Village Type Development and "Conservation Area" under Lam Tsuen Outline Zoning Plan No S/NE-LT/11 dated 10 November 2006.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
22. 506 lots in Demarcation Districts Nos 23 and 26, Ting Kok Road, Tai Po, New Territories, Hong Kong	The property comprises 506 lots on various pieces of flat land either contiguous or scattered around Wong Yue Tan, Ha Tei Ha, San Tan Kok and Tung Tsz Nursery. The total site area is approximately 136,738.46 sq m (1,471,853 sq ft). The lots are restricted for agricultural purposes.	A portion of the property is let under four licences with the latest one expiring in October 2012 yielding a total monthly income of approximately HK\$5,850.	HK\$51,500,000 (100% interest) (100% interest in 500 lots attributable to WPL: HK\$51,007,000) (50% of 100% interest in 2 lots attributable to WPL: HK\$84,000) (75% of 100% interest in 4 lots attributable to WPL: HK\$240,000)
	Demarcation Districts Nos 23 and 26 are each held under their respective block government leases each for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.	The remainder of the property appears to be over-grown with wild vegetation.	

Notes:

- (1) The site area and the registered owners of the property are as follows:-

	No of lots	Site Area (Approx.)		Registered Owner
		sq m	sq ft	
	500	135,428.92	1,457,757	Russellville Limited, a wholly-owned subsidiary of WPL
	4	445.18	4,792	Russellville Limited (1/2nd share) & others (1/2and share) (tenants in common)
	2	864.36	9,304	Russellville Limited (3/4th share) & others (1/4th share) (tenants in common)
Total	<u>506</u>	<u>136,738.46</u>	<u>1,471,853</u>	

- (2) The property lies within areas zoned "Green Belt", "Village Type Development" and "Conservation Area" under Tai Po Outline Zoning Plan No S/TP/21 dated 13 January 2009 and draft Ting Kok Outline Zoning Plan No S/NE-TK/16 dated 19 February 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
23. 141 lots in Demarcation Districts Nos 12 and 14, Ting Kok Road, Tai Po, New Territories, Hong Kong	<p>The property comprises 141 lots on a large piece of flat land either contiguous or scattered between Tung Tsz Shan Road, Tung Tsz Road and a secondary road. The total site area is approximately 47,151.43 sq m (507,538 sq ft). The lots are restricted for agricultural purposes.</p> <p>Demarcation District Nos 12 and 14 are each held under their respective block government leases each for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.</p>	The property is subject to a licence at a monthly licence fee of approximately HK\$8,000.	<p>HK\$20,000,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$20,000,000)</p>

Notes:

- (1) The registered owner of the property is Hobman Company Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within areas zoned "Green Belt" under Tai Po Outline Zoning Plan No S/TP/21 dated 13 January 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
24. 278 lots in Demarcation Districts No 26, Ting Kok Road, Tai Po, New Territories, Hong Kong	<p>The property comprises 278 lots on a large piece of flat land and a sloping area either contiguous or scattered around the village of Wong Yue Tan. The total site area is approximately 73,361.75 sq m (789,666 sq ft). The lots are restricted for agricultural purposes except eight house lots of approximately 1,542.44 sq m (16,603 sq ft).</p> <p>Demarcation District No 26 is held under a block government lease for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.</p>	<p>A portion of the property is let under two licences with the latest one expiring in September 2012, yielding a total monthly income of approximately HK\$4,600.</p> <p>The remainder of the property appears to be over-grown with wild vegetation.</p>	<p>HK\$42,900,000 (100% interest)</p> <p>(100% interest in 277 lots attributable to WPL: HK\$42,656,000)</p> <p>(50% of 100% interest in one lot attributable to WPL: HK\$122,000)</p>

Notes:

- (1) The site area and the registered owners of the property are as follows:-

	No of lots	Site Area (Approx.)		Registered Owner
		sq m	sq ft	
	277	72,714.23	782,696	Pergamino Limited, a wholly-owned subsidiary of WPL
	1	647.52	6,970	Pergamino Limited (1/2nd share) & others (1/2nd share) (tenants in common)
Total	<u>278</u>	<u>73,361.75</u>	<u>789,666</u>	

- (2) The property lies within areas zoned "Green Belt", "Village Type Development" and "Conservation Area" under Tai Po Outline Zoning Plan No S/TP/21 dated 13 January 2009 and draft Ting Kok Outline Zoning Plan No S/NE-TK/16 dated 19 February 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
25. 309 lots in Demarcation Districts Nos 17 and 23, Ting Kok Road, Tai Po, New Territories, Hong Kong	<p>The property comprises 304 lots on a sloping area either contiguous or scattered between Shan Liu Road and Ting Kok Road and 5 lots scattered in Shuen Wan near Tung Tsz Road. The total site area is approximately 39,895.67 sq m (429,437 sq ft). The lots are restricted for agricultural purposes.</p> <p>Demarcation Districts Nos 17 and 23 are held under their respective block government leases each for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.</p>	<p>A portion of the property is let under a licence expiring in September 2010 at a total monthly income of approximately HK\$9,000.</p> <p>The remainder of the property appears to be over-grown with wild vegetation.</p>	<p>HK\$21,900,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$21,900,000)</p>

Notes:

- (1) The registered owner of the property is Segor Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within areas zoned "Green Belt", "Agriculture", "Village Type Development", "Conservation Area" and "Other Specified Uses (Spa Resort Hotel)" under draft Ting Kok Outline Zoning Plan No S/NE-TK/16 dated 19 February 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
26. 47 lots in Demarcation District No 26, Ting Kok Road, Tai Po, New Territories, Hong Kong	<p>The property comprises 47 lots on a sloping area either contiguous or scattered around the village of Wong Yue Tan. The total site area is approximately 12,821.63 sq m (138,012 sq ft). The lots are restricted for agricultural purposes except two house lots of approximately 80.93 sq m (871 sq ft).</p> <p>Demarcation District No 26 is held under a block government lease for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.</p>	The property appears to be over-grown with wild vegetation.	<p>HK\$5,800,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$5,800,000)</p>

Notes:

- (1) The registered owner of the property is Canton Asia Development Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within areas zoned "Green Belt" and "Village Type Development" under Tai Po Outline Zoning Plan No S/TP/21 dated 13 January 2009 and draft Ting Kok Outline Zoning Plan No S/NE-TK/16 dated 19 February 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
27. 60 lots in Demarcation District No 19, Lam Kam Road, Tai Po, New Territories, Hong Kong	<p>The property comprises 60 lots on various pieces of lands either contiguous or scattered around Fong Ma Po, She Shan Tsuen, Pak Tin Kong, Ha Tin Liu Ha, Sheung Tin Liu Ha and Ko Tin Hom. The total site area is approximately 19,864.27 sq m (213,819 sq ft). The lots are restricted for agricultural purposes.</p> <p>Demarcation District No 19 is held under a block government lease for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.</p>	<p>A portion of the property is let under two licences with the latest one expiring in January 2011 yielding a total monthly income of HK\$765.</p> <p>The remainder of the property appears to be over-grown with wild vegetation.</p>	<p>HK\$7,400,000 (100% interest)</p> <p>(100% interest attributable to WPL: HK\$7,400,000)</p>

Notes:

- (1) The registered owner of the property is Asia Light Development Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within areas zoned "Site of Special Scientific Interest", "Agriculture", "Village Type Development" and "Conservation Area" under Lam Tsuen Outline Zoning Plan No S/NE-LT/11 dated 10 November 2006.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
28. Lots Nos 45, 46, 47, 48B and 303 in Demarcation District No 376, Tuen Mun, New Territories, Hong Kong	<p>The property comprises 5 lots either contiguous or scattered around Palm Cover and Castle Peak Immigration Centre off Castle Peak Road (Castle Peak Bay) section to the south-east of Sam Shing Estate. The total site area of the property is approximately 728.45 sq m (7,841 sq ft). The lots are restricted for agricultural purposes.</p> <p>Demarcation District No 376 is held under a block government lease for a term which expired on 27 June 1997 and had been extended until 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.</p>	The property appears to be over-grown with vegetation and with some structures standing thereon.	HK\$2,000,000 (100% interest) (100% interest attributable to WPL: HK\$2,000,000)

Notes:

- (1) The registered owner of the property is Janeworth Company Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within areas zoned "Residential (Group B)8" and "Government/Institution/Community" under draft Tuen Mun Outline Zoning Plan No S/TM/26 dated 16 October 2009.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
29. Ping Shan Inland Lot No 6, Lot No 975 and the remaining portion of Lot No 976 in Demarcation District No 131, Tuen Mun, New Territories, Hong Kong	The property comprises two level sites off Castle Peak Road (Castle Peak Bay) and a garden lot with a total site area of approximately 3,050.63 sq m (32,837 sq ft). Currently the site is vacant and fenced off by corrugated metal sheeting.	The property appears to be over-grown with wild vegetation.	HK\$36,000,000 (100% interest) (100% interest attributable to WPL: HK\$36,000,000)
	Ping Shan Inland Lot No 6 is held under a government lease for a term expiring on 30 June 2047 at an annual government rent equivalent to 3% of the rateable value for the time of the lot.		
	Lots Nos 975 and 976 in Demarcation District No 131 are held under New Grants Nos 416 and 417 respectively each for a term expiring on 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the lot.		

Notes:

- (1) The registered owner of the property is Deltum Company Limited, a wholly-owned subsidiary of WPL.
- (2) The property lies within an area zoned "Green Belt" under Tuen Mun Outline Zoning Plan No. S/TM/26 dated 16 October 2009.

Group E – Property interests held through associates and jointly controlled entities in Hong Kong and the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
30. Various units in the commercial block and various car parking spaces in Bellagio, 33 Castle Peak Road, Sham Tseng, Tsuen Wan, New Territories, Hong Kong 17,483/461,679th equal and undivided shares of and in the remaining portion of Lot No 269 in Demarcation District No 390	<p>Bellagio is a residential development comprising 8 high-rise residential towers over an 8-level club houses/car parking podium plus an ancillary block accommodating commercial and institutional facilities. The development was completed in various phases from 2002 to 2006.</p> <p>The property comprises various commercial units and a kindergarten having a gross floor area of approximately 3,541.43 sq m (38,120 sq ft) excluding a terrace of approximately 176.24 sq m (1,897 sq ft). The property also comprises a signage box, 843 covered parking spaces (comprising 100 spaces for public use; 155 spaces for commercial use and 688 spaces for use by residents) and 273 motorcycle parking spaces.</p> <p>Lot No 269 in Demarcation District No 390 is held under New Grant No 7133 for a term of 50 years commencing from 7 September 2001 at an annual government rent payable equivalent to 3% of the rateable value of the property.</p>	<p>Majority portion of the commercial portion of property is let under various tenancies with the latest one expiring in August 2013 yielding a total monthly income of approximately HK\$591,000 exclusive of rates and management fees.</p> <p>The car parking spaces are let under various licences yielding an average monthly gross income of approximately HK\$170,000 during the period from April 2009 to March 2010.</p>	<p>HK\$230,000,000 (100% interest) (33.33% attributable interest to WPL: HK\$76,667,000)</p>

Notes:

- (1) The property comprises Units G01 to G03 on Level 1 of the commercial block, Units 101, 102 and 103 with flat roof thereof on Level 1 & 3, the kindergarten and the signage box of the commercial accommodation, public car park in Phase 5, commercial car parking spaces and various residential car parking spaces and motorcycle parking spaces in Bellagio.
- (2) The registered owner of the property is Salisbury Company Limited in which WPL has an attributable interest of 33.33%.
- (3) Pursuant to the government lease, the public car parking spaces shall not be assigned, mortgaged, charged, demised, underlet nor may possession be parted with except as a whole.
- (4) The property lies within an area zoned "Residential (Group A)3" under Tsuen Wan West Outline Zoning Plan No S/TWW/17 dated 18 May 2007.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
31. 4 penthouse units and 19 car parking spaces in Parc Palais, 18 Wylie Road, Yau Ma Tei, Kowloon, Hong Kong	Parc Palais is a residential development comprising numerous high-rise residential buildings with ancillary recreational and car parking spaces completed in 2004.	The property is vacant.	HK\$208,000,000 (100% interest)
2,418/341,874 equal and undivided shares of and in Kowloon Inland Lot No 11118	The property comprises four penthouse units within the development with a total gross area of approximately 1,159.51 sq m (12,481 sq ft) and total saleable area of approximately 925.12 sq m (9,958 sq ft). The property also comprises a total flat roof and roof area of approximately 462.00 sq m (4,973 sq ft) and a total of 19 car parking spaces. Kowloon Inland Lot No 11118 is held under Conditions of Sale No 12575 for a term of 50 years from 29 June 2000 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.		(20% interest attributable to WPL: HK\$41,600,000)

Notes:

- (1) The property comprises Penthouse B on 33/F and 35/F of Block 7, Penthouses A and C on 33/F and 35/F of Block 8 and Penthouse C on 33/F and 35/F of Block 9 and 19 car parking spaces in Parc Palais.
- (2) The registered owner of the property is Grace Sign Limited in which WPL has an attributable interest of 20%.
- (3) The property lies within an area zoned "Residential (Group B)2" under Yau Ma Tei Outline Zoning Plan No S/K2/20 dated 16 May 2008.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
32. 326 car parking spaces in Parc Royale, 8 Hin Tai Street, Shatin, New Territories, Hong Kong 3,260/130,637th equal and undivided shares of and in Sha Tin Town Lot No. 301	<p>Parc Royale is a residential development comprising eleven high-rise residential buildings with ancillary recreational and car parking spaces completed in 1995.</p> <p>The property comprises 326 covered car parking spaces within the development.</p> <p>Shatin Tin Town Lot No 301 is held under New Grant No 12372 for a term from 9 October 1991 to 30 June 2047 at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.</p>	<p>The property is let under various monthly licences yielding an average monthly gross income of approximately HK\$56,000 during the period from April 2009 to March 2010.</p>	<p>HK\$33,000,000 (100% interest)</p> <p>(44% interest attributable to WPL HK\$14,520,000)</p>

Notes:

- (1) The registered owner of the property is Dramstar Company Limited in which WPL has an attributable interest of 44%.
- (2) The property lies within an area zoned "Residential (Group B)" under Sha Tin Outline Zoning Plan No S/ST/23 dated 5 June 2007.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
<p>33. The Austin Station Development excluding the Railway Station Portions, Site C and Site D, West Kowloon, Kowloon, Hong Kong</p> <p>Portion of the lots to be known as Kowloon Inland Lot Nos 11126 and 11129</p> <p>(Site C and Site D are to be known as KIL 11126 and KIL 11129 respectively)</p>	<p>The property comprises the whole of Site C and Site D excluding the existing Austin Station Portion. The total site areas of Site C and Site D is approximately 27,423 sq m (295,181 sq ft).</p> <p>The MTR Austin Station and a multi-storey Canton Road Government Offices building are currently standing on the property. The remaining portion of the site is being occupied as car parking spaces or vacant.</p> <p>The property is proposed to be developed into a private residential development comprising six residential towers (three on Site C and three on Site D) with associated car parking spaces. The scheduled completion date of the development will be in about end 2013 and mid 2014 for Site C and Site D respectively.</p> <p>Upon completion, the property will provide a total residential gross floor area of approximately 119,116 sq m (1,282,165 sq ft) and a total of 450 residential parking spaces, 30 visitors' parking spaces, 6 loading/unloading bays and 46 motorcycle parking spaces.</p> <p>As the time of our title search, no information in respect of the property can be obtained from the Land Registry. In accordance with the Basic Terms Offer letter dated 1 February 2010, the property (ie KIL 11126 and 11129) is to be granted to MTR Corporation Limited for a term of 50 years from the date of Agreement via private treaty grant at an annual government rent payable equivalent to 3% of the rateable value for the time being of the property.</p>	<p>A multi-storey Canton Road Government Offices building is currently standing on the property together with a number of car parking spaces, which are scheduled to be handed over from the government in about October 2010.</p>	<p>No commercial value</p>

Notes:

- (1) As land grant of the property is in progress, in the course of our valuation, we have assigned no commercial value to this property. For reference purposes, if the land grant had been obtained, the market value of the property in its existing state was HK\$11,710,000,000 (100% interest). Please refer to Note (6) for WPL's attributable interest to this property.
- (2) In accordance with the basic terms offer letters from Lands Department to MTR Corporation Limited dated 1 February 2010 and the draft Conditions of Grants as provided to us, use and development of KIL 11126 and KIL 11129 are mainly restricted to:

User	:	private residential purposes and the Railway Station
Gross Floor Area	:	KIL 11126 – shall not less than 30,290 sq m but shall not exceed 50,476 sq m KIL 11129 – shall not less than 41,190 sq m but shall not exceed 68,640 sq m
Building Height	:	KIL 11126 – maximum 98 metres above the HKPD KIL 11129 – maximum 116 metres above the HKPD
Design and Disposition	:	Shall subject to approval by the Director of Lands
Car parking Space	:	Residential Space:
		Size of each residential unit
		No. of the Residential Parking Spaces to be provided
		Less than 40 square metres
		One space for every 11.7647 residential units or part thereof
		Not less than 40 square metres but less than 70 square metres
		One space for every 7.0588 residential units or part thereof
		Not less than 70 square metres but less than 100 square metres
		One space for every 2.8235 residential units or part thereof
		Not less than 100 square metres but less than 160 square metres
		One space for every 1.4118 residential units or part thereof
		Not less than 160 square metres
		One space for every 0.7843 residential units or part thereof
Visitor's Parking Space	:	5 spaces for each block (if more than 75 residential units in any block) subject to a minimum of 15 spaces for each of KIL 11126 and KIL 11129
Motocycle Space	:	10% of the total number of spaces for residential units or such other rates as may be approved by the Director of Lands subject to a minimum of one loading and unloading space for each block of residential units
Loading/Unloading Bays	:	One space for every 800 residential units or at such other rates as may be approved by the Director of Lands subject to a minimum of one loading and unloading space for each block of residential units
GFA exemption for green features	:	Subject to land premium

We have assumed that other than those terms as contained in the basic term offer letters and the draft Conditions of Grants mentioned above, the government leases of the property would not contain any other unusual or onerous terms, which would materially affect the value of the property.

- (3) As advised by WPL, the estimated total construction cost to complete the proposed development is approximately HK\$3,332,000,000 (excluding professional fees of approximately HK\$180,000,000). Development of the property is scheduled to commence in about October 2010.
- (4) The estimated completed value of the proposed development on the property as at 31 March 2010 was HK\$20,500,000,000 assuming land premium for green features has been fully paid and land grant of the property had been obtained.
- (5) The property was subject to a joint venture agreement which was yet to be executed between WPL and New World Development Company Limited as at the date of valuation. WPL and New World Development Company Limited each held 50% interest of this joint venture company, Fast New Limited via their respective subsidiaries. Pursuant to the development agreement dated 23 March 2010 among MTR Corporation Limited, Fast New Limited, New World Development Company

Limited and WPL, development right of the property had been awarded to Fast New Limited under which, the MTR Corporation Limited is responsible for HK\$3.9 billion of the land premium and the remaining land premium and construction costs are to be borne by Fast New Limited.

- (6) The government's assessed land premium for the property is HK\$11,707,640,000 and the MTR Corporation Limited will bear a land premium cost of HK\$3,900,000,000, representing 33.312% of the land premium. The remaining land premium is to be borne by the joint venture company, Fast New Limited, in which WPL has a 50% interest. Accordingly, if the land grant of the property had been obtained, the interest in this property attributable to WPL at the date of valuation was approximately HK\$3,904,582,400 $((HK\$11,707,640,000 - HK\$3,900,000,000)/HK\$11,707,640,000$ (i.e. 66.688%) x 50% x HK\$11,710,000,000).
- (7) The property lies within an area zoned "Residential (Group A)2" under South West Kowloon Outline Zoning Plan No. S/K20/24 dated 12 March 2010.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
34. Three parcels of land situated at Nongchangcunweihui, Shishanbanshichu, (western side of Keji North Road), Shishan Town, Nanhai District, Foshan City, Guangdong Province, The PRC	<p>The property comprises three parcels of land, namely Plot A, Plot B and Plot C, with a total site area of approximately 141,857.90 sq m (1,526,958 sq ft).</p> <p>The property is planned to be developed into an upscale residential development with a total gross floor area of approximately 310,112.16 sq m (3,338,047 sq ft), scheduled to be completed in about 2015.</p> <p>The land use right of the property has been granted for a term expiring on 13 April 2070 for residential use.</p>	The property is currently vacant land.	No commercial value

Notes:

- (1) Pursuant to the Equity Joint Venture Contract entered into between 瑞嘉投資實業有限公司 (Eureka Investment Company Limited) ("Party A") and 博實控股有限公司 (Favour Year Holdings Limited) ("Party B") dated 10 February 2010, both parties agreed to establish a joint venture company named 佛山招商會德豐房地產有限公司 (the "Joint Venture"). The said contract contains, inter alia, the following salient conditions:

- (i) Total investment amount : US\$99,900,000
- (ii) Registered capital : US\$99,900,000 (Party A: 50%, Party B: 50%)
- (iii) Period of operation : 20 years from the date of issue of business licence
- (iv) Profit sharing ratio : the respective shares of each party in the registered capital

- (2) Pursuant to the Business Licence No. 0935143 dated 11 March 2010, the Joint Venture was incorporated with a registered capital of US\$99,900,000 for a valid period from 11 March 2010 to 11 March 2011.

- (3) Pursuant to the Confirmation Agreement of Transaction entered into among Eureka Investment Company Limited, Favour Year Holdings Limited, Foshan Nanhai District Land Transaction Centre and Guangdong Haixing Auctioneer dated 27 January 2010, Eureka Investment Company Limited and Favour Year Holdings Limited have successfully bid for the land use right of three parcels of land with land certificate nos. Fo Fu Nan Guo Yong (2009) Di 0604938 to 0604940 at a total consideration of RMB680,000,000.

- (4) Pursuant to the Notes to State-owned Land Use Right Auction (the "Notes") dated 7 January 2010 issued by Foshan Nanhai District Land Transaction Centre and Guangdong Haixing Auctioneer, three parcels of land with a total site area of 141,857.90 sq m were put up for sale by auction. The Notes contain inter-alia, the following salient conditions:

- (i) Land use : Residential
- (ii) Plot ratio : Plot A: 0.8 to 1.2
Plot B: 1.8 to 2.3
Plot C: 3.0 to 3.2

- | | | | |
|-------|---------------------|---|---|
| (iii) | Site coverage: | : | Plot A: 20% to 25%
Plot B: 30% to 35%
Plot C: 30% to 40% |
| (iv) | Green area ratio | : | Plot A: $\geq 30\%$
Plot B: $\geq 30\%$
Plot C: $\geq 20\%$ |
| (v) | Land use right term | : | Expiring on 13 April 2070 |
- (5) The market value of the property assuming completion as at the date of valuation, according to the development proposal provided by WPL, was approximately RMB2,724,000,000.
- (6) We have been provided with WPL's PRC legal adviser's opinion, which inter alia, contains the following:
- (i) The Joint Venture is a limited liability company whose lawful operation is under the jurisdiction and protection of the laws of the PRC and of which 50% is owned by Eureka Investment Company Limited and 50% by Favour Year Holdings Limited.
- (ii) According to the Confirmation Agreement of Transaction Clause 3, Eureka Investment Company Limited and Favour Year Holdings Limited as the bidders shall sign the State-owned Land Use Right Transfer Contracts with the transferor within two days from the confirmation of transaction. If the bidders shall form a wholly-owned company for development of the land in accordance with the requirements of the application for bidding which is to establish a new project company, the State-owned Land Use Right Transfer Contracts shall be signed by the new company within 3 days after the establishment of the new company.
- According to the Confirmation Agreement of Transaction Clause 4, if the bidders do not sign the State-owned Land Use Right Transfer Contracts as scheduled and pay the transacted land price and educational facility fee, the transferor has the right to resume the land use right and then to sell the land in public and to claim from the transferee the shortfall between the new transacted price and the previous auction transacted price together with the fees arising from the re-arrangement of the transaction.
- Since the Joint Venture was established on 11 March 2010, the Joint Venture should in accordance with the requirements of the Confirmation Agreement of Transaction sign the State-owned Land Use Right Transfer Contracts before 14 March 2010.
- According to the confirmation from WPL, as at the date of the issuance of the legal opinion, the Joint Venture has not signed the formal State-owned Land Use Right Transfer Contracts. Therefore, the transferor has the right, in accordance with the stipulations of the Confirmation of Auction Transaction, to resume the land use right, to sell the land in public and to claim from Eureka Investment Company Limited and Favour Year Holdings Limited the shortfall between the new transacted price and the previous auction transacted price together with fees arising from the re-arrangement of the transaction.
- (iii) Nevertheless, after signing the State-owned Land Use Right Transfer Contracts and obtaining the land use right certificate of the property, the Joint Venture has the right to transfer, let, mortgage or handle in other ways the land use right of the property in accordance with the State-owned Land Use Right Transfer Contracts, relevant laws, rules and regulations.
- (7) With reference to the legal adviser's opinion, we have assigned no commercial value to the property. WPL has advised that the Joint Venture has paid all the land price and is in the process of obtaining the State-owned Land Use Right Certificate. For reference purposes, if the Joint Venture had obtained the State-owned Land Use Right Certificate, the market value of the property as at the date of valuation would have been HK\$790,000,000 (100% interest) (HK\$395,000,000 (50% interest attributable to WPL)).

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010																																																						
35. Evian Uptown, Kuiqi Road North and Guilan Road West, Chancheng District, Foshan City, Guangdong Province, The PRC	<p>Evian Uptown (the "Development") is planned to be developed into a large-scale residential development by three phases with a total site area of approximately 107,299 sq m (1,154,966 sq ft).</p> <p>Phase I of the Development mainly comprises 7 blocks of 27 to 32-storey residential building and the floor area breakdown are listed as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Gross Floor Area</th> </tr> <tr> <th>(sq m)</th> <th>(sq ft)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>73,546.45</td> <td>791,654</td> </tr> <tr> <td>Commercial</td> <td>13,284.76</td> <td>142,997</td> </tr> <tr> <td>Commercial (Basement)</td> <td>6,037.95</td> <td>64,992</td> </tr> <tr> <td>Club house</td> <td>3,000.00</td> <td>32,292</td> </tr> <tr> <td>Ancillary facilities</td> <td>1,482.56</td> <td>15,958</td> </tr> <tr> <td>Total:</td> <td>97,351.72</td> <td>1,047,893</td> </tr> </tbody> </table> <p>Phase II of the Development mainly comprises 9 blocks of 25 to 29-storey residential building and the floor area breakdown are listed as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Gross Floor Area</th> </tr> <tr> <th>(sq m)</th> <th>(sq ft)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>103,445.96</td> <td>1,113,492</td> </tr> <tr> <td>Commercial</td> <td>1,979.30</td> <td>21,305</td> </tr> <tr> <td>Total:</td> <td>105,425.26</td> <td>1,134,797</td> </tr> </tbody> </table> <p>Phase III of the Development mainly comprises 8 blocks of 25 to 30-storey residential building and the floor area breakdown are listed as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Use</th> <th colspan="2">Gross Floor Area</th> </tr> <tr> <th>(sq m)</th> <th>(sq ft)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>84,620.21</td> <td>910,852</td> </tr> <tr> <td>Commercial</td> <td>157.99</td> <td>1,701</td> </tr> <tr> <td>Ancillary facilities</td> <td>2,390.00</td> <td>25,726</td> </tr> <tr> <td>Total:</td> <td>87,168.20</td> <td>938,279</td> </tr> </tbody> </table>	Use	Gross Floor Area		(sq m)	(sq ft)	Residential	73,546.45	791,654	Commercial	13,284.76	142,997	Commercial (Basement)	6,037.95	64,992	Club house	3,000.00	32,292	Ancillary facilities	1,482.56	15,958	Total:	97,351.72	1,047,893	Use	Gross Floor Area		(sq m)	(sq ft)	Residential	103,445.96	1,113,492	Commercial	1,979.30	21,305	Total:	105,425.26	1,134,797	Use	Gross Floor Area		(sq m)	(sq ft)	Residential	84,620.21	910,852	Commercial	157.99	1,701	Ancillary facilities	2,390.00	25,726	Total:	87,168.20	938,279	The property is currently under construction and is scheduled to be completed in 2013.	<p>HK\$1,698,000,000 (100% interest)</p> <p>(50% interest attributable to WPL: HK\$849,000,000)</p> <p><i>(please see notes (12) & (13) below)</i></p>
Use	Gross Floor Area																																																								
	(sq m)	(sq ft)																																																							
Residential	73,546.45	791,654																																																							
Commercial	13,284.76	142,997																																																							
Commercial (Basement)	6,037.95	64,992																																																							
Club house	3,000.00	32,292																																																							
Ancillary facilities	1,482.56	15,958																																																							
Total:	97,351.72	1,047,893																																																							
Use	Gross Floor Area																																																								
	(sq m)	(sq ft)																																																							
Residential	103,445.96	1,113,492																																																							
Commercial	1,979.30	21,305																																																							
Total:	105,425.26	1,134,797																																																							
Use	Gross Floor Area																																																								
	(sq m)	(sq ft)																																																							
Residential	84,620.21	910,852																																																							
Commercial	157.99	1,701																																																							
Ancillary facilities	2,390.00	25,726																																																							
Total:	87,168.20	938,279																																																							

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
	In addition, the property also comprises 2,272 basement car parking spaces.		
	Portion of Phase I of the Development has been pre-sold (please see note (12) for details). The property comprises the whole of Phases I, II and III of the Development.		
	The land use rights of the property have been granted for terms expiring on 17 May 2078 for residential use and 17 May 2048 for commercial use.		

Notes:

- (1) Pursuant to the Business Licence No. 0812433 dated 26 February 2009, 佛山信捷房地產有限公司 (“佛山信捷”) was incorporated with a registered capital of US\$219,800,000 for a valid period from 30 October 2007 to 29 October 2027.
- (2) Pursuant to the Foshan State-owned Land Use Right Grant Contract No. 440601-2007-000791 entered into between Foshan City Land Administration Bureau and 佛山信捷 dated 18 January 2008, the former party agreed to grant the land use right of a parcel of land with a net site area of 107,299 sq m to 佛山信捷. The Foshan State-owned Land Use Right Grant Contract contains, inter-alia, the following salient conditions:
 - (i) Use : Residential supplemented with commercial
 - (ii) Land use right term : 70 years for residential and 40 years for commercial
 - (iii) Plot ratio : ≤ 2.5
 - (iv) Site coverage : $\leq 30\%$
 - (v) Green area ratio : $\leq 30\%$
 - (vi) Land grant fee : RMB1,505,000,000
 - (vii) Building covenant : The construction work of the Development should be completed before 17 April 2012
- (3) Pursuant to the Certificate of State-owned Land Use Right No. Fo Fu Guo Yong (2008) Di 06000864949 issued by the Foshan People’s Government dated 7 July 2008, the title to the property with a site area of 107,299 sq m is vested in 佛山信捷 for land use right terms expiring on 17 May 2078 for residential use and 17 May 2048 for commercial use.
- (4) Pursuant to the Planning Permit of Construction Land No. Fo Gui (Shan) Di Zheng (2008) 009 issued by Foshan Planning Administration Bureau Chancheng Branch dated 25 January 2008, property with a site area of 150,426 sq m was permitted to be developed.
- (5) Pursuant to two Construction Engineering Planning Permits Nos. Jian Zi Di 440604200890006 and 440604200800401 both issued by Foshan Planning Planning Bureau Chancheng Branch dated 11 August 2008 and 20 October 2008 respectively, a total gross floor area of approximately 108,027.25 sq m and the basement area of the property were permitted to be constructed.
- (6) Pursuant to the Permit of Commencement of Construction Project No. 440601200808290101 issued by Foshan Chancheng District Branch Construction Committee dated 29 August 2008, construction work on the property with a gross floor area of 108,027 sq m was permitted to be commenced.

- (7) Pursuant to the Commodity Housing Pre-sale Permit No. 2009007401 issued by Foshan Housing and Administration Bureau dated 10 December 2009, a portion of the property with a total gross floor area of approximately 9,860.90 sq m was permitted to be pre-sold.
- (8) Pursuant to the Commodity Housing Pre-sale Permit No. 2010000101 issued by Foshan Housing and Urban-Rural Construction Bureau dated 8 January 2010, a portion of the property with a total gross floor area of approximately 9,857.11 sq m was permitted to be pre-sold.
- (9) Pursuant to the Commodity Housing Pre-sale Permit No. 20100001701 issued by Foshan Housing and Urban-Rural Construction Bureau dated 23 April 2010, a portion of the property with a total gross floor area of approximately 21,472.63 sq m was permitted to be pre-sold.
- (10) As advised by WPL, the outstanding construction cost of the property as at the date of valuation was approximately RMB841,000,000.
- (11) The market value of the property assuming completion as at the date of valuation, according to the development proposal provided by WPL, was approximately RMB3,166,000,000.
- (12) As advised by WPL, 225 residential units of Phase I of the Development with a total gross floor area of 19,165.95 sq m were pre-sold for total sales proceeds of RMB173,654,773 as at the date of valuation.
- (13) According to the development proposal provided by WPL, the scheduled completion date of the Development will be beyond the building covenant. In the course of our valuation, we have assumed that there will be no penalty or charges to be levied for the scheduled completion date.
- (14) We have been provided with WPL's PRC legal adviser's opinion, which inter-alia, contains the following:
 - i) 佛山信捷 has legally obtained the land use right of the property.
 - ii) The land use right of the property can be legally transferred, let, mortgaged or handled in other ways within the land use right terms of the property.
 - iii) 佛山信捷 has legally obtained the permit and approval of the construction works of the property.
 - iv) 佛山信捷 has the right to pre-sell portions of the property as prescribed in the Pre-sale Permits mentioned in Notes (7) to (9) above.
 - v) There is no legal obstacle for 佛山信捷 to apply for the building ownership certificate of the property after obtaining the proof of completion and acceptance of buildings.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
36. Evian Town, Yuhe Road North, Tianhong Road South and Fenjiang South Road East, Xincheng District, Foshan City, Guangdong Province, The PRC	<p>Evian Town (the "Development") is planned to be developed into a large-scale residential development by four phases with a total site area of approximately 173,104.93 sq m (1,863,301 sq ft).</p> <p>Phase I of the Development mainly comprises 75 3-storey town houses and 12 blocks of 15-storey residential building and the floor area breakdown are listed as follows:-</p>	The property is currently under construction and is scheduled to be completed in 2012.	<p>HK\$2,634,000,000 (100% interest)</p> <p>(50% interest attributable to WPL: HK\$1,317,000,000)</p> <p><i>(please see notes (16) & (17) below)</i></p>

Use	Gross Floor Area	
	(sq m)	(sq ft)
Residential	86,037.47	926,107
Commercial	3,082.50	33,180
Club house	3,400.00	36,598
Total:	<u>92,519.97</u>	<u>995,885</u>

Phase II of the Development mainly comprises 10 blocks of 32 to 42-storey residential building and the floor area breakdown are listed as follows:-

Use	Gross Floor Area	
	(sq m)	(sq ft)
Residential	148,613.00	1,599,670
Commercial	8,758.60	94,278
Total:	<u>157,371.60</u>	<u>1,693,948</u>

Phase III of the Development mainly comprises 10 blocks of 32 to 42-storey residential building and the floor area breakdown are listed as follows:-

Use	Gross Floor Area	
	(sq m)	(sq ft)
Residential	164,242.00	1,767,901
Commercial	10,590.00	113,991
Kindergarten	5,000.00	53,820
Ancillary facilities	133.00	1,432
Total:	<u>179,965.00</u>	<u>1,937,144</u>

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2010
	<p>Phase IV of the Development comprises 105 3-storey town houses with a total gross floor area of approximately 33,035.00 sq m (355,589 sq ft).</p> <p>In addition, the Development also comprises 4,376 basement car parking spaces.</p> <p>Portion of Phase I of the Development was sold and portion of Phase II of the Development was pre-sold (please see note (16) for details). The property comprises unsold portion of Phase I of the Development and the whole of Phases II, III and IV of the Development.</p> <p>The land use rights of the property have been granted for terms of 70 years expiring on 5 November 2077 for residential use, 40 years expiring on 5 November 2047 for commercial use and 50 years expiring on 5 November 2057 for office use.</p>		

Notes:

- (1) Pursuant to the Equity Joint Venture Contract entered into between 廣州招商房地產有限公司 (“Party A”) and 嘉森國際有限公司 (Total Up International Limited) (“Party B”) dated 10 April 2007 and the amendment of memorandum dated 16 May 2007, both parties agreed to establish a joint venture company named 佛山鑫城房地產有限公司 (the “Joint Venture”). The aforesaid contract contains, inter-alia, the following salient conditions:
- (i) Total investment amount : US\$149,900,000
 - (ii) Registered capital : US\$90,000,000 (Party A: 50%, Party B: 50%)
 - (iii) Period of operation : 20 years from the date of issue of business licence
 - (iv) Profit sharing ratio : the respective shares of each party in the registered capital
- (2) Pursuant to the Business Licence No. 0547987 dated 28 May 2008, the Joint Venture was incorporated with a registered capital of US\$127,000,000 for a valid period from 30 April 2007 to 29 April 2027.
- (3) Pursuant to the Foshan State-owned Land Use Right Grant Contract No. 440601-2007-000450 entered into between Foshan Land Resources Bureau and the Joint Venture dated 7 September 2007, the former party agreed to grant the land use right of a parcel of land comprising a net site area of 202,755 sq m to the Joint Venture. The Foshan State-owned Land Use Right Grant Contract contains, inter alia, the following salient conditions:
- (i) Use : Plot A: residential
Plot B: composite (residential/public facilities)
 - (ii) Site area : Plot A: 106,326 sq m
Plot B: 96,429 sq m
 - (iii) Land use right terms : 70 years for residential, 40 years for commercial and 50 years for office
 - (iv) Plot ratio : Plot A: ≤1.6
Plot B: ≤3.0

- (v) Site coverage : Plot A: $\leq 20\%$
Plot B: $\leq 35\%$
- (vi) Green area ratio : Plot A: $\geq 40\%$
Plot B: $\geq 25\%$
- (vii) Land grant fee : RMB950,000,000
- (viii) Building covenant : The construction work of the Development should be completed before 6 May 2011
- (4) Pursuant to two Certificates of State-owned Land Use Rights Nos. Fo Fu (Shun) Guo Yong (2007) Di 0500900 and 0500901 both issued by Foshan People's Government dated 9 November 2007, the title to portions of the property with site areas of 58,792.06 sq m and 30,442.81 sq m are both vested in the Joint Venture for land use right terms of 70 years expiring on 5 November 2077 for residential use, 40 years expiring on 5 November 2047 for commercial use and 50 years expiring on 5 November 2057 for office use.
- (5) Pursuant to two Certificates of State-owned Land Use Rights Nos. Fo Fu (Shun) Guo Yong (2007) Di 0500902 and 0500903 both issued by Foshan People's Government dated 5 December 2007, the title to portions of the property with site areas of 36,713.14 sq m and 47,156.92 sq m are vested in the Joint Venture for land use right terms of 70 years expiring on 5 November 2077 for residential use, 40 years expiring on 5 November 2047 for commercial use and 50 years expiring on 5 November 2057 for office use.
- (6) Pursuant to four Planning Permits of Construction Land Nos. Fo Gui Di Zheng (2007) 23 to 26 all issued by Foshan Planning Administration Bureau dated 29 December 2007, portions of the property with a total site area of 266,410 sq m were permitted to be developed.
- (7) Pursuant to ten Construction Engineering Planning Permits Nos. Jian Zi Di 440600200800002, 440600200800013, 440600200800018 to 440600200800020, 440600200800023, 440600200800024, 440600200900002, 440600200900003 and 440600201000012 all issued by Foshan Planning Administration Bureau in 2008 to 2010, a portion of the property with a total gross floor area of approximately 410,130.99 sq m was permitted to be constructed.
- (8) Pursuant to eight Permits of Commencement of Construction Project Nos. 440600200804010101, 440600200807170101, 440600200807220201, 440600200807240101, 440600200807240201, 440600200812160101, 440600200812160201 and 440600201004160101 all issued by Foshan Construction Committee in 2008 to 2010, construction works on a portion of the property with a total gross floor area of 394,209.80 sq m were permitted to be commenced.
- (9) Pursuant to the Commodity Housing Pre-sale Permit No. Shun Yu Xu Zi 2008007903 issued by Foshan Housing and Administration Bureau dated 12 September 2008, a portion of the property with a total gross floor area of 28,919.94 sq m was permitted to be pre-sold.
- (10) Pursuant to the Commodity Housing Pre-sale Permit No. Shun Yu Xu Zi 2009006903 issued by Foshan Housing and Administration Bureau dated 4 September 2009, a portion of the property with a total gross floor area of 67,467.32 sq m was permitted to be pre-sold.
- (11) Pursuant to the Commodity Housing Pre-sale Permit No. Shun Yu Xu Zi 2010000803 issued by Foshan Housing and Urban-Rural Construction Bureau dated 21 January 2010, a portion of the property with a total gross floor area of 14,530.70 sq m was permitted to be pre-sold.
- (12) Pursuant to the Commodity Housing Pre-sale Permit No. Shun Yu Xu Zi 2010002303 issued by Foshan Housing and Urban-Rural Construction Bureau dated 10 March 2010, a portion of the property with a total gross floor area of 14,303.69 sq m was permitted to be pre-sold.
- (13) Pursuant to the Commodity Housing Pre-sale Permit No. Shun Yu Xu Zi 2010004103 issued by Foshan Housing and Urban-Rural Construction Bureau dated 20 April 2010, a portion of the property with a total gross floor area of 19,872.65 sq m was permitted to be pre-sold.
- (14) As advised by WPL, the outstanding construction cost of the property as at the date of valuation was approximately RMB1,257,000,000.

- (15) The market value of the property assuming completion as at the date of valuation, according to the development proposal provided by WPL, was approximately RMB4,942,000,000.
- (16) As advised by WPL, a residential portion of Phase I of the Development with a total gross floor area of 86,037.47 sq m was sold as at the date of valuation. According to WPL's instruction, the sold portion is excluded in this valuation. In addition, 616 residential units of Phase II of the Development with a total gross floor area of 92,140.43 sq m were pre-sold for total sales proceeds of RMB1,019,403,018 as at the date of valuation. According to WPL's instruction, the pre-sold portion is included in this valuation.
- (17) According to the development proposal provided by WPL, the scheduled completion date of the Development will be beyond the building covenant. In the course of our valuation, we have assumed that there will be no penalty or charges to be levied for the scheduled completion date.
- (18) We have been provided with WPL's PRC legal adviser's opinion, which inter alia, contains the following:
- (i) The Joint Venture is a limited liability company whose lawful operation is under the jurisdiction and protection of the laws of the PRC and of which 50% is owned by 廣州招商房地產有限公司 and 50% by Total Up International Limited.
 - ii) The Joint Venture has legally obtained the land use right of the property.
 - iii) The land use right of the property can be legally transferred, let, mortgaged or handled in other ways within the land use right terms of the property.
 - iv) The Joint Venture has legally obtained the permit and approval of the construction works of the property.
 - v) The Joint Venture has the right to pre-sell portions of the property as prescribed in the Pre-sale Permits mentioned in Notes (9) to (13) above.
 - vi) There is no legal obstacle for the Joint Venture to apply for the building ownership certificate of the property after obtaining the proof of completion and acceptance of buildings.

1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Proposal, Wheelock and WPL.

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

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

2. SHARE CAPITAL

- (a) As at the Latest Practicable Date, the authorised share capital and issued share capital of WPL were as follows:

Authorised share capital

Number of shares	Value of Shares
3,000,000,000 Shares	HK\$600,000,000

Issued and fully paid-up share capital

Number of shares	Value of Shares
2,069,637,125 Shares	HK\$413,927,425

- (b) Each of the Shares ranks pari passu in all respects, including as to dividends, voting rights and capital.
- (c) WPL has issued no new Shares after 31 December 2009, being the end of the last financial year of WPL, up to the Latest Practicable Date.
- (d) Other than the Shares, there are no other options, derivatives, warrants or other securities convertible or exchangeable into Shares which are issued by WPL as at the Latest Practicable Date.

3. MARKET PRICES

The Shares are traded on the Stock Exchange.

The table below shows the respective closing prices of the Shares on the Stock Exchange (i) on the last Trading Day of each of the calendar months during the Relevant Period; (ii) on the Last Trading Date; and (iii) on the Latest Practicable Date.

Date	Closing price for each Share <i>HK\$</i>
30 October 2009	5.43
30 November 2009	5.20
31 December 2009	5.07
29 January 2010	4.87
26 February 2010	4.63
31 March 2010	4.97
16 April 2010, being the Last Trading Date (<i>Note</i>)	5.33
30 April 2010	12.62
14 May 2010, being the Latest Practicable Date	12.58

Note: This is the closing price on the Last Trading Date. The Shares were suspended from trading on the Stock Exchange from 9:30 a.m. on 19 April 2010 and resumed trading at 9:30 a.m. on 28 April 2010.

During the Relevant Period, the lowest and highest closing prices per Share on the Stock Exchange were HK\$4.48 on 5 March 2010 and HK\$12.62 on 28 April 2010, 30 April 2010 and 4 May 2010 respectively.

4. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the Shares and securities in WPL's associated corporations

As at the Latest Practicable Date, Directors had the following beneficial interests, all being long positions, in the share capital of WPL, WPL's parent company, namely, Wheelock, and three subsidiaries of Wheelock, namely, The Wharf (Holdings) Limited ("**Wharf**"), i-CABLE Communications Limited ("**i-CABLE**") and Wharf Finance (No.1) Limited ("**Wharf Finance**"), and the percentages of the relevant shares (if applicable) represented to the issued share capitals of the relevant companies respectively are also set out below:

	Nature of Interest	Quantity Held (percentage of issued share capital, if applicable)
Wheelock – Ordinary shares		
Peter K. C. Woo	Personal Interest in 8,847,510 shares, Corporate Interest in 200,865,142 shares and Other Interest in 995,221,678 shares	1,204,934,330 (59.3023%)
T. Y. Ng	Personal Interest	70,000 (0.0034%)
Wharf – Ordinary shares		
T. Y. Ng	Personal Interest	200,268 (0.0073%)
i-CABLE – Ordinary shares		
T. Y. Ng	Personal Interest	17,801 (0.0009%)
Wharf Finance – HK\$ fixed rate notes due 2020		
Roger K. H. Luk	Personal Interest in HK\$1,000,000 and Family Interest in HK\$1,000,000	HK\$2,000,000

Notes:

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of WPL had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of WPL and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to WPL and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to WPL and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

As at the Latest Practicable Date, Mr. Peter K. C. Woo, Chairman of WPL, and three other Directors, namely, Mr. T. Y. Ng, Mr. Paul Y. C. Tsui and Mr. Ricky K. Y. Wong, are directors and/or employees of Wheelock (and/or its wholly-owned subsidiary(ies)), which has an interest, being a long position, in the Shares which would fall to be disclosed to WPL under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Interests of substantial Shareholders in the Shares

As at the Latest Practicable Date, so far as was known to any of the Directors, the following parties had or were deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to WPL and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	No. of Shares held	Position	Approximate percentage of issued share capital
(i) Myers Investments Limited	1,538,498,277	Long	74.34%
(ii) Wheelock Corporate Services Limited	1,538,498,277	Long	74.34%
(iii) Wheelock	1,538,498,277	Long	74.34%
(iv) HSBC Trustee (Guernsey) Limited	1,538,498,277	Long	74.34%

Notes:

- (a) Myers Investments Limited is a company incorporated in the British Virgin Islands and is indirectly wholly-owned by Wheelock.
- (b) For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the above-stated shareholdings to the extent that the shareholdings stated against parties (i) to (iv) above represent the same block of Shares.

Save as disclosed above, as at the Latest Practicable Date, there was no party/person, so far as was known to any of the Directors, who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to WPL and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(c) Interests and dealings in the Shares

Save as disclosed in this section headed “Disclosure of Interests” in this Appendix, as at the Latest Practicable Date:

- (i) Wheelock and the Wheelock Directors were interested in 1,538,498,277 Shares, representing approximately 74.34% of the issued share capital of WPL. Save as aforesaid, none of Wheelock or the Wheelock Directors were interested in any Shares, or convertible securities, warrants, options or derivatives of WPL;
- (ii) 4,513,834 Shares were proprietarily held or under the discretionary management of members of the HSBC group. Save as aforesaid, none of the persons acting in concert with Wheelock owned or controlled any Shares, or convertible securities, warrants, options or derivatives of WPL;
- (iii) save as disclosed below, none of Wheelock, the Wheelock Directors and the other members of the Wheelock Concert Group had dealt (excluding dealings on an agency or non-discretionary basis by members of the HSBC group, which are subject to private disclosure under the Takeovers Code) for value in any Shares, convertible securities, warrants, options or derivatives of WPL during the Relevant Period;

Party	Number of Shares sold	Dealing date	Dealing price (per Share) (HK\$)
HSBC International	25,000	4 May 2010	12.60
Trustee Limited	2,814	4 May 2010	12.50

- (iv) no subsidiary of WPL, pension fund of the WPL Group or advisor of WPL as specified in class (2) of the definition of “Associate” in the Takeovers Code (but excluding exempt principal traders) owned or controlled any Shares, convertible securities, warrants, options or derivatives of WPL or had dealt for value in any Shares, convertible securities, warrants, options or derivatives of WPL during the Relevant Period;
- (v) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with WPL or with any person who is an Associate of WPL by virtue of classes (1) to (4) of the definition of “Associate” in the Takeovers Code and no such person owned or controlled any Shares,

convertible securities, warrants, options or derivatives of WPL or had dealt for value in any Shares, convertible securities, warrants, options or derivatives of WPL during the Relevant Period;

- (vi) no Director was interested in, owned or controlled and no Director had dealt for value in any Shares, or convertible securities, warrants, options or derivatives of WPL during the Relevant Period; and
- (vii) no shareholding in WPL was managed on a discretionary basis by fund managers (other than exempt fund managers) connected with WPL and no fund managers (other than exempt fund managers) connected with WPL had dealt for value in any Shares, convertible securities, warrants, options or derivatives of WPL during the Relevant Period.

(d) Interests and dealings in Wheelock's shares

Save as disclosed in this section headed "Disclosure of Interests" in this Appendix, as at the Latest Practicable Date, neither the Directors nor WPL had any interest in the shares, convertible securities, warrants, options or derivatives of Wheelock and neither the Directors nor WPL had dealt for value in any such shares, convertible securities, warrants, options or derivatives during the Relevant Period.

(e) Arrangements with the Wheelock Concert Group

Save as disclosed in this section headed "Disclosure of Interests" in this Appendix, as at the Latest Practicable Date:

- (i) no member of the Wheelock Concert Group had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person;
- (ii) there was no agreement or arrangement to which Wheelock is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Scheme;
- (iii) there was no agreement, arrangement or understanding between Wheelock and any other person in relation to the transfer, charge or pledge of the Shares to be issued to Wheelock (or any of its wholly-owned subsidiaries) upon completion of the Proposal;
- (iv) no person had irrevocably committed themselves to accept or reject the Proposal;
- (v) none of the members of the Wheelock Concert Group, WPL or the Directors had borrowed or lent any Shares, save for any borrowed Shares which had been either on-lent or sold; and
- (vi) none of the members of the Wheelock Concert Group had borrowed or lent any Shares during the Relevant Period, save for any borrowed Shares which had been either on-lent or sold.

(f) Other interests

As at the Latest Practicable Date,

- (i) no benefit (save for statutory compensation required under appropriate law) is or will be paid to any Directors as compensation for loss of office or otherwise in connection with the Scheme;
- (ii) there are no material contracts entered into by Wheelock in which any Director has a material personal interest;
- (iii) save for the Proposal, there was no agreement, arrangement or understanding (including any compensation arrangement) between Wheelock or any other member of the Wheelock Concert Group on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon or being conditional upon the outcome of the Scheme or otherwise connected with the Scheme; and
- (iv) save for the Proposal, there was no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Scheme or otherwise connected with the Scheme;
- (v) none of the Directors had any existing or proposed service contract with WPL or any of its subsidiaries or associated companies which (i) has been entered into or amended within 6 months before the date of the Announcement; or (ii) is a continuous contract with a notice period of 12 months or more; or (iii) is a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, neither WPL nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against WPL or any of its subsidiaries.

6. MATERIAL CONTRACTS

No material contracts other than contracts entered into in the ordinary course of business had been entered into by any member of the WPL Group after the date two years before the commencement of the Offer Period, up to and including the Latest Practicable Date.

7. EXPERTS

The following are the qualifications of the experts who have been named in this Scheme Document:

Name	Qualification
HSBC	The Hongkong and Shanghai Banking Corporation Limited, a registered institution licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and a licensed bank under the Banking Ordinance, Chapter 155 of the Laws of Hong Kong
Knight Frank	Knight Frank Petty Limited, property valuer
Somerley	Somerley Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and the independent financial advisor to the Independent Board Committee and the Independent Shareholders in relation to the Proposal
KPMG	KPMG, Certified Public Accountants
Commerce & Finance	Commerce & Finance Law Offices, legal advisors to WPL as to PRC laws

8. CONSENTS

- (a) HSBC and KPMG have given and have not withdrawn their respective written consents to the issue of this Scheme Document with inclusion of references to their names in the form and context in which they respectively appear.
- (b) Commerce & Finance, Knight Frank and Somerley have given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of their respective letters, reports or opinions as the case may be and references to their names in the form and context in which they respectively appear.

9. GENERAL

- (a) The registered office of WPL is situate at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong.
- (b) The registered office of Wheelock is situate at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong.

- (c) The Wheelock Board comprises Mr. Peter K. C. Woo, 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.
- (d) The secretary of WPL is Mr. Wilson W. S. Chan, who is a fellow member of The Institute of Chartered Secretaries and Administrators.
- (e) The office of the Registrar, namely, Tricor Tengis Limited, is situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The registered office of Myers Investments Limited is situate at P. O. Box 71, Craigmuir Chambers, Road Town, Tortola, the British Virgin Islands.
- (g) The board of directors of Myers Investments Limited comprises Mr. Paul Y. C. Tsui and Ms. Ling Ling Tan.
- (h) The registered office of HSBC is situate at HSBC Main Building, 1 Queen's Road Central, Hong Kong.
- (i) The registered office of Somerley is situate at 10th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.
- (j) All time and date references contained in this Scheme Document refer to Hong Kong times and dates.
- (k) In case of inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over their respective Chinese language text.
- (l) Documents set out in Appendix IV to this Scheme Document will be available for inspection (i) at the office of Deacons, 5th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong; (ii) at the registered office and principal office of WPL at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong; (iii) on the website of WPL at www.wheelockproperties.com; and (iv) on the website of the SFC at www.sfc.hk, from the date when this Scheme Document is published until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier.

Copies of the following documents are available for inspection from 9:30 a.m. to 6:00 p.m., Monday to Friday (i) at the office of Deacons at 5th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong; (ii) at the registered office and principal office of WPL at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong; (iii) on the website of WPL at www.wheelockproperties.com; and (iv) on the website of the SFC at www.sfc.hk, from the date when this Scheme Document is published until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (i) the memorandum and articles of association of WPL;
- (ii) the memorandum and articles of association of Wheelock;
- (iii) the annual report containing the audited consolidated financial statements of WPL and its subsidiaries for each of the two years ended 31 December 2008 and 31 December 2009;
- (iv) the unaudited consolidated results of WPSL and its subsidiaries for the three months ended 31 March 2010;
- (v) the letter from the Board, the text of which is set out on pages 10 to 16 of this Scheme Document;
- (vi) the letter from the Independent Board Committee, the text of which is set out on page 17 of this Scheme Document;
- (vii) the letter of advice from Somerley, the text of which is set out on pages 18 to 49 of this Scheme Document;
- (viii) the letter and valuation report from Knight Frank, the text of which is set out on pages 127 to 186 of this Scheme Document;
- (ix) the written consents referred to in paragraph 8 headed “Consents” of “Appendix III General Information” set out on page 194 of this Scheme Document; and
- (x) the legal opinion dated 19 May 2010 from Commerce & Finance on WPL’s attributable property interests located in the PRC.

THE SCHEME

HCMP 865/ 2010

**IN THE HIGH COURT OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 865 OF 2010**

**IN THE MATTER OF
Wheelock Properties Limited
AND
IN THE MATTER OF
the Companies Ordinance, Chapter 32 of the Laws of Hong Kong**

**SCHEME OF ARRANGEMENT
(under section 166 of the Companies Ordinance,
Chapter 32 of the Laws of Hong Kong)**

between

Wheelock Properties Limited

and

the holders of Scheme Shares

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

“Business Day”	a day (other than a Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Cancellation Price”	being HK\$13.00 per Scheme Share payable in cash in consideration for cancellation of each Scheme Share held by the Scheme Shareholders
“Court Meeting”	a meeting of the holders of the Scheme Shares convened by direction of the High Court for the purpose of approving the Scheme

THE SCHEME

“Effective Date”	the date on which this Scheme becomes effective in accordance with Clause 7 of this Scheme
“High Court”	High Court of Hong Kong
“holder”	a registered holder, including any person entitled by transmission to be registered as such and joint holders
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 May 2010, being the latest practicable date prior to the printing of the Scheme Document for the purposes of ascertaining certain information for inclusion in the Scheme Document
“Register”	the register of members of WPL
“Scheme”	this scheme of arrangement under Section 166 of the Companies Ordinance in its present form or with or subject to any modification thereof or addition thereto or conditions approved or imposed by the High Court
“Scheme Document”	the composite scheme document of WPL and Wheelock, containing, inter alia, each of the letters, statements, appendices and notices in it
“Scheme Record Time”	4:00 p.m. (Hong Kong time) on the last Business Day immediately preceding the Effective Date
“Scheme Shares”	Shares held by the Scheme Shareholders
“Scheme Shareholder(s)”	Shareholder(s) other than Wheelock and its wholly-owned subsidiaries that hold Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the capital of WPL
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“Wheelock”	Wheelock and Company Limited, a company incorporated under the laws of Hong Kong with limited liability
“WPL”	Wheelock Properties Limited, a company incorporated under the laws of Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

THE SCHEME

- (B) The authorised share capital of WPL at the date of this Scheme is HK\$600,000,000 divided into 3,000,000,000 Shares, 2,069,637,125 of which have been issued and are fully paid.
- (C) The primary purpose of this Scheme is to privatize WPL by cancelling and extinguishing all of the Scheme Shares in consideration of and in exchange for the Cancellation Price so that WPL shall thereafter become a wholly-owned subsidiary of Wheelock. Immediately following the cancellation and extinction of the Scheme Shares, the issued share capital of WPL will be restored to its former amount by the issue to Wheelock (or its wholly-owned subsidiaries) at par credited as fully paid of such number of Shares as is equal to the number of Scheme Shares cancelled and extinguished at the Scheme Record Time.
- (D) As at the Latest Practicable Date, Wheelock and its wholly-owned subsidiaries were interested in 1,538,498,277 Shares and there were 531,138,848 Scheme Shares.
- (E) Wheelock has agreed to appear by Counsel at the hearing of the petition to sanction this Scheme and to undertake to the High Court to be bound by this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by Wheelock for the purpose of giving effect to this Scheme.

THE SCHEME

PART I

Cancellation of the Scheme Shares

1. On the Effective Date:
 - (a) the authorised and issued share capitals of WPL shall be reduced by cancelling and extinguishing the Scheme Shares;
 - (b) subject to and forthwith upon such reduction of capital taking effect, the authorised share capital of WPL shall be increased to its former amount of HK\$600,000,000 by the creation of such number of Shares as shall be equal to the number of the Scheme Shares cancelled; and
 - (c) WPL shall apply the credit arising in its books of account as a result of the reduction of capital referred to in sub-clause (a) of this Clause 1 in paying up in full at par the Shares created pursuant to sub-clause (b) of this Clause 1, which shall be allotted and issued, credited as fully paid, to Wheelock or its wholly-owned subsidiaries or both.

PART II

Consideration for the cancellation of the Scheme Shares

2. As consideration for the cancellation and extinguishment of the Scheme Shares, each Scheme Shareholder will receive the Cancellation Price from Wheelock.

THE SCHEME

PART III

Conditions

3. The Scheme is conditional upon the capital reduction referred to in Clause 1(a) above becoming effective.

General

4. As from the Effective Date, any instrument of transfer relating to and all certificates representing the Scheme Shares shall cease to have effect as evidence of title and every Scheme Shareholder shall be bound on the request of WPL to deliver up to WPL the certificates relating to the Scheme Shares for cancellation.
5.
 - (a) Not later than ten days after the Effective Date, WPL shall issue a Share certificate to Wheelock (or any of its wholly-owned subsidiaries).
 - (b) Not later than ten days after the Effective Date, Wheelock shall send or cause to be sent cheques representing the Cancellation Price to the Scheme Shareholders.
 - (c) Unless otherwise indicated in writing to the share registrar of WPL, being Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, all cheques to be dispatched to Scheme Shareholders shall be sent by post in pre-paid envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the Register at the Scheme Record Time, or in the case of joint holders, at the address of that joint holder whose name first appears in the Register in respect of the relevant joint holding at the Scheme Record Time.
 - (d) Cheques shall be posted at the risk of the addressees and neither Wheelock nor WPL shall be responsible for any loss or delay in receipt.
 - (e) Cheques in favour of the person to whom, in accordance with the provisions of this Clause 5, the envelope containing the same is addressed and the encashment of any such cheques shall be a good discharge to Wheelock for the monies represented thereby.
 - (f) On or after the day being six calendar months after the posting of the cheques pursuant to this Clause 5, Wheelock shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed and shall place all monies represented thereby in a deposit account in the name of WPL with a licensed bank in Hong Kong selected by WPL. WPL shall hold such monies on trust for those entitled under the terms of the Scheme until the expiration of six years from the Effective Date and shall prior to such date pay out of such monies the sums payable pursuant to the Scheme to satisfy WPL that they are entitled thereto. Any payments made by WPL shall include any interest accrued on the sums to which the respective persons are entitled calculated at the annual rate prevailing from time to time at

THE SCHEME

the licensed bank in which the monies are deposited, subject, if applicable, to the deduction of any interest or withholding tax or any other deduction required by law. WPL shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of WPL to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

- (g) On the expiration of six years from the Effective Date, Wheelock and WPL shall be released from any further obligation to make any payments under the Scheme and WPL shall transfer to Wheelock (or its nominees or both) the balance (if any), of the sums standing to the credit of the deposit account referred to in this Clause 5 including accrued interest subject, if applicable, to the deduction of interest or any withholding tax or other tax or any other deductions required by law and subject to the deduction of any expenses.
 - (h) Paragraph (g) of this Clause 5 shall take effect subject to any prohibition or condition imposed by law.
- 6. All mandates or relevant instructions to or by WPL in force at the Scheme Record Time relating to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
 - 7. Subject to Clause 3, the Scheme shall become effective on the later of: (i) the date on which the orders of the High Court have been filed with the Registrar of Companies in Hong Kong (as required by section 166 and section 61 of the Companies Ordinance); and (ii) the date on which the Registrar of Companies in Hong Kong issues the relevant certificate of registration pursuant to section 61 of the Companies Ordinance.
 - 8. Unless the Scheme shall have become effective on or before 31 October 2010 (or such later date as Wheelock and WPL may agree or as the High Court on application of Wheelock or WPL may allow), the Scheme shall lapse.
 - 9. WPL and Wheelock may jointly consent for and on behalf of all concerned to any modification of or addition to the Scheme or to any condition which the High Court may think fit to approve or impose.
 - 10. All the costs, charges and expenses of and incidental to the Scheme and the costs of carrying the Scheme shall be borne by Wheelock.

Dated 19 May 2010

NOTICE OF COURT MEETING

HCMP 865/ 2010

**IN THE HIGH COURT OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 865 OF 2010**

**IN THE MATTER OF
Wheelock Properties Limited
AND
IN THE MATTER OF
the Companies Ordinance, Chapter 32 of the Laws of Hong Kong**

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated the 14th day of May, 2010 made in the above matters, the High Court (the “Court”) has directed a meeting to be convened of the registered holders of ordinary shares of HK\$0.20 each (“shares”) in the capital of Wheelock Properties Limited (the “Company”) for the purposes of considering and, if thought fit, approving, a scheme of arrangement (the “Scheme of Arrangement”) proposed to be made between the Company and the holders of its ordinary shares of HK\$0.20 each and that such meeting will be held at 10:00 a.m. on the 24th day of June, 2010 at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong at which place and time all such holders of the ordinary shares of HK\$0.20 each in the capital of the Company are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 166A of the abovementioned Ordinance are incorporated in the composite document of which this notice forms part. A copy of the composite scheme document can also be obtained by any person entitled to attend the said meeting during usual business hours on any day prior to the day appointed for the said meeting (other than a Saturday, a Sunday or a statutory holiday in Hong Kong):

- (i) at the registered office of the Company, 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong; and
- (ii) at the office of the share registrar of the Company, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

The abovementioned holders of the ordinary shares of HK\$0.20 each in the capital of the Company may vote in person at the said meeting or they may appoint one or more person(s), whether a member of the Company or not, as their proxy(ies) to attend and vote in their stead. A pink form of proxy for use at the said meeting is enclosed herewith.

NOTICE OF COURT MEETING

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose, seniority will be determined by the order in which the names of the holders stand in the register of members of the Company in respect of the relevant joint holding.

It is requested that forms appointing proxies be lodged, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or other authority, be deposited at the office of the share registrar of the Company as stated above not less than 48 hours before the time appointed for holding the said meeting.

For the purpose of determining the entitlement to attend and vote at the said meeting, the register of members of the Company will be closed from the 22nd day of June, 2010 to the 24th day of June, 2010 (both days inclusive) and during such period, no transfer of shares will be effected.

By the same order, the Court has appointed Mr. Lau Ling Fai Herald, or failing him, Mr. Luk Koon Hoo, or failing him, Mr. Yee Glenn Sekkemn, or failing him, any other director of the Company, to act as chairman of the said meeting and has directed the chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

Documents set out in Appendix IV to the Scheme Document are available for inspection (i) at the office of Deacons, 5th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong; (ii) at the registered and principal office of the Company at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong; (iii) on the website of the Company at www.wheelockproperties.com; and (iv) on the website of the SFC at www.sfc.hk, from the date when the Scheme Document is published until the Effective Date or the date on which the Scheme of Arrangement lapses or is withdrawn, whichever is earlier.

Dated this 19th day of May, 2010.

Deacons
5th Floor, Alexandra House
Chater Road
Hong Kong
Solicitors for Wheelock Properties Limited

NOTICE OF EGM



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of shareholders of Wheelock Properties Limited (the “Company”) will be held at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong on the 24th day of June, 2010 at 10:30 a.m. (or immediately after the conclusion or adjournment of the meeting of the holders of the ordinary shares of HK\$0.20 each in the capital of the Company convened by direction of the High Court of the Hong Kong Special Administrative Region for the same place and day) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as a special resolution.

SPECIAL RESOLUTION

“THAT:

- (a) the scheme of arrangement dated the 19th day of May, 2010 (the “Scheme”) between the Company and the holders of the Scheme Shares (as defined in the Scheme) in the form of the print which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, with any modification thereof or addition thereto or condition approved or imposed by the High Court of the Hong Kong Special Administrative Region, be and is hereby approved; and
- (b) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme):
 - (i) the authorised and issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
 - (ii) subject to and forthwith upon such reduction of share capital taking effect, the authorised share capital of the Company be increased to its former amount of HK\$600,000,000 by the creation of such number of ordinary shares of HK\$0.20 each in the capital of the Company as shall be equal to the number of the Scheme Shares cancelled; and

NOTICE OF EGM

- (iii) the Company shall apply the credit arising in the books of account of the Company as a result of the capital reduction of share capital in paying up in full at par the ordinary shares of HK\$0.20 each in the capital of the Company to be created as aforesaid, which new shares shall be allotted and issued, credited as fully paid, to Wheelock and Company Limited (or any of its wholly-owned subsidiaries) and the directors of the Company be and are hereby unconditionally authorised to allot and issue the same accordingly.
- (c) the directors of the Company be authorised to do all acts and things necessary or desirable in connection with the implementation of the Scheme and the consequent reduction of capital, including (without limitation) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the High Court may see fit to impose.”

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

Hong Kong, dated this 19th day of May, 2010

Registered Office:

23rd Floor, Wheelock House
20 Pedder Street
Hong Kong

Notes:

- (a) A white form of proxy for use at the extraordinary general meeting is enclosed with the composite scheme document containing the Scheme despatched to members of the Company and this Notice.
- (b) A member entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or more person(s) as his/her proxy to attend and, in the event of a poll, to vote in his/her stead. A proxy need not be a member of the Company, but must attend the meeting in person to represent him/her.
- (c) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the office of the Company's Registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the extraordinary general meeting or any adjournment thereof, failing which the form of proxy will not be valid. Completion and return of the form or proxy will not preclude a member from attending the extraordinary general meeting and voting in person if he/she so wishes. In the event that a member attends and votes at the extraordinary general meeting after having lodged his/her form of proxy, his/her form of proxy will be revoked by operation of law.
- (d) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose, seniority will be determined by the order in which the names of the holders stand in the register of members of the Company in respect of the relevant joint holding.
- (e) The register of members of the Company will be closed from the 22nd day of June, 2010 to the 24th day of June, 2010 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to ascertain shareholders' rights for the purpose of attending and voting at the extraordinary general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on the 21st day of June, 2010.

NOTICE OF EGM

- (f) Documents set out in Appendix IV to the Scheme Document are available for inspection (i) at the office of Deacons, 5th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong; (ii) at the registered and principal office of the Company at 23rd Floor, Wheelock House, 20 Pedder Street, Hong Kong; (iii) on the website of the Company at www.wheelockproperties.com; and (iv) on the website of the SFC at www.sfc.hk, from the date when the Scheme Document is published until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier.