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



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

JOINT ANNOUNCEMENT

**(1) 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**

**(2) POSSIBLE DISCLOSEABLE TRANSACTION OF
WHEELOCK AND COMPANY LIMITED**

AND

(3) DESPATCH OF SCHEME DOCUMENT

Financial Advisor to Wheelock and Company Limited



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



THE PROPOSAL

The Scheme Document was despatched to the Shareholders on Wednesday, 19 May 2010.

The respective notices of the Court Meeting and the EGM to be held on Thursday, 24 June 2010 are set out in the Scheme Document.

Independent Shareholders should consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendations in relation to the Proposal as set out in the letter from Somerley, the independent financial advisor to the Independent Board Committee, before making a decision on the Proposal.

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.

Subject to all the Conditions of the Proposal being fulfilled or waived, as applicable, the Scheme is expected to become effective on Thursday, 22 July 2010. Details of the Conditions are set out in the Scheme Document. The Scheme will lapse if it does not become effective on or before Sunday, 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 Proposal constitutes a possible discloseable transaction for Wheelock under the Listing Rules.

INTRODUCTION

Reference is made to the joint announcement dated 27 April 2010 of Wheelock and WPL (the “**Joint Announcement**”). Terms defined in the Joint Announcement have the same meaning when used in this announcement unless otherwise defined herein.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, among other things, a letter from the Board, a letter from the Independent Board Committee, a letter from Somerley, the explanatory statement required under Section 166A of the Companies Ordinance in relation to the Scheme, the expected timetable relating to the Proposal, the Scheme and the notices of the Court Meeting and the EGM, was despatched to the Shareholders on Wednesday, 19 May 2010.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE AND SOMERLEY

The Independent Board Committee, comprising Mr. Herald L. F. Lau, Mr. Roger K. H. Luk and Mr. Glenn S. Yee, being the three independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Proposal.

Somerley has been appointed as the independent financial advisor to advise the Independent Board Committee in respect of the Proposal. The Scheme Document includes, inter alia, a letter from Somerley giving its advice and recommendation to the Independent Board Committee on the Proposal. The advice of Somerley and the recommendations of the Independent Board Committee are set out in the Scheme Document. Independent Shareholders should consider carefully the recommendations of the Independent Board Committee and the factors, reasons and recommendations relating to the Proposal as set out in the letter from Somerley before making a decision on the Proposal.

Having considered the principal factors and reasons set out in the letter from Somerley contained in the Scheme Document, and as of the date of the Scheme Document, Somerley considers the terms of the Proposal to be fair and reasonable so far as the Independent Shareholders are concerned and advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting.

Having considered the terms of the Proposal and the advice from Somerley, as of the date of the Scheme Document, the Independent Board Committee considers the terms of the Proposal to be fair and reasonable so far as the Independent Shareholders are concerned and advises the Independent Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the resolution to approve the capital reduction arising as a result of the Scheme at the EGM.

MEETINGS

The Court Meeting and the EGM will be held at 10:00 a.m. and 10:30 a.m. (or as soon thereafter as the Court Meeting convened for the same day and place shall have been concluded or adjourned) respectively on Thursday, 24 June 2010 at Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong. Notices of those meetings are set out in the Scheme Document. For the purpose of those meetings, dealings in the Shares are expected to be suspended from 9:30 a.m. on Thursday, 24 June 2010 until the release of the results of those meetings, which is expected to be no later than 7:00 p.m. on the same day.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Independent Shareholders to attend and vote at the Court Meeting and of the 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 transfers of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all duly completed instruments of transfer accompanied by the relevant Share certificates must be lodged with Tricor Tengis Limited, the share registrar of WPL, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 21 June 2010.

If the resolutions to be proposed at the Court Meeting and the EGM are duly approved, the latest time for dealings in the Shares on the Stock Exchange is expected to be 4:00 p.m. on Monday, 12 July 2010. To qualify for entitlements under the Scheme if the Scheme becomes unconditional, all duly completed transfers of the Shares, accompanied by the relevant Share certificates, must be lodged with Tricor Tengis Limited not later than 4:30 p.m. on Thursday, 15 July 2010.

CONDITIONS OF THE PROPOSAL

Shareholders, shareholders of Wheelock and potential investors in WPL should be aware that the implementation of the Proposal is subject to the Conditions as set out in the Scheme Document being fulfilled or waived, as applicable, and thus may or may not become effective. Shareholders, shareholders of Wheelock and potential investors in WPL are advised to exercise caution when dealing in the Shares.

Subject to all the Conditions of the Proposal being fulfilled or waived, as applicable, the Scheme is expected to become effective on Thursday, 22 July 2010. Details of the Conditions are set out in the explanatory statement contained in the Scheme Document. The Scheme will lapse if it does not become effective on or before Sunday, 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.

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.

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.

EXPECTED 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 (<i>Note 1</i>)	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 (<i>Note 2</i>)	10:00 a.m. on Tuesday, 22 June 2010
EGM (<i>Note 2</i>)	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 (<i>Note 3</i>)	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
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 (*Note 4*) 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 (*Note 5*) 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 (*Note 6*) Thursday, 22 July 2010

Expected withdrawal of the listing of the Shares
on the Stock Exchange becomes
effective (*Note 7*) 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.**
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.
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.
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.

All references to the above mentioned times and dates are references to Hong Kong times and dates.

OVERSEAS SHAREHOLDERS

The 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 the 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 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 14 May 2010 (being the latest practicable date prior to the printing of the Scheme Document for the purpose of ascertaining certain information for inclusion in the Scheme Document). Further announcement(s) will be made if such matters apply to any overseas Scheme Shareholders.

INDEBTEDNESS

Borrowings

At the close of business on 30 April 2010, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of the Scheme Document, the WPL Group had total borrowings of approximately HK\$978 million, being secured bank loans.

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 of the WPL Group as at 30 April 2010.

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.

POSSIBLE DISCLOSEABLE TRANSACTION

As one or more of the applicable percentage ratios in respect of the Proposal will exceed 5% but all of those applicable percentage ratios will be less than 25% in respect of Wheelock, implementation of the Proposal will constitute a discloseable transaction for Wheelock under the Listing Rules. To the best of the knowledge, information and belief of the directors of Wheelock having made all reasonable enquiries on the Scheme Shareholders, such counterparties are third parties independent of Wheelock and its connected persons.

**By order of the board of directors
WHEELOCK AND COMPANY LIMITED**

**Wilson W. S. Chan
Company Secretary**

**By order of the board of directors
WHEELOCK PROPERTIES LIMITED**

**Wilson W. S. Chan
Company Secretary**

Hong Kong, 19 May 2010

As at the date of this announcement, the board of directors of Wheelock 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.

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

As at the date of this announcement, the board of directors of WPL comprises Mr. Peter K. C. Woo, Dr. Joseph M. K. Chow, Mr. T. Y. Ng, Mr. Paul Y. C. Tsui and Mr. Ricky K. Y. Wong, together with three independent non-executive directors, namely, Mr. Herald L. F. Lau, Mr. Roger K. H. Luk and Mr. Glenn S. Yee.

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