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WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 20)

DISCLOSEABLE TRANSACTION

Acquisition of a piece of land in Chengdu

A letter from the Board of Directors of Wheelock and Company Limited is set out on pages 3 to 5 of this circular.

11 October 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings: -

“Company”	Wheelock and Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Land”	a piece of land in Chengdu, the PRC with a site area of approximately 590,000 square feet located at 成都市錦江區大慈寺路以南、紅星路步行街以東、江南館街以北、紗帽街以西(紅星路廣場地塊) for retail (not less than 30%), office (together with retail not less than 60%), hotel (not less than 15%) and residential (not more than 20%) use
“Land Acquisition Transaction”	the successful bidding for the acquisition of the land use rights of the Land on 20 September 2007
“Latest Practicable Date”	8 October 2007, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	the ordinary share(s) with a par value of HK\$0.5 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wharf”	The Wharf (Holdings) Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange. It is a 50.00003%-owned subsidiary of the Company
“Wharf Group”	Wharf together with its subsidiaries

LETTER FROM THE BOARD



WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 20)

Directors:

Peter K. C. Woo, GBS, JP (*Chairman*)
Gonzaga W. J. Li (*Senior Deputy Chairman*)
Stephen T. H. Ng (*Deputy Chairman*)
Paul Y. C. Tsui (*Executive Director*)
Alexander S. K. Au, OBE*
B. M. Chang*
Kenneth W. S. Ting, SBS, JP*

Registered Office:

23rd Floor,
Wheelock House,
20 Pedder Street,
Central,
Hong Kong

(Independent Non-executive Directors)*

11 October 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

On 20 September 2007, the respective boards of directors of the Company and Wharf jointly announced that Giant Wave Investments Limited, a wholly-owned subsidiary of Wharf, succeeded in bidding the Land at a price of RMB7,242 million (equal to about HK\$7,517 million) for property development.

Under the Listing Rules, the Land Acquisition Transaction constitutes a discloseable transaction for the Company. The purpose of this circular is to provide the shareholders of the Company with further information relating to the Land Acquisition Transaction.

LETTER FROM THE BOARD

DETAILS OF THE BIDDING

Bidding Date	:	20 September 2007
Parties	:	Chengdu Municipal Land and Resources Bureau as the vendor Giant Wave Investments Limited, a wholly-owned subsidiary of Wharf (which in turn is a 50.00003%-owned subsidiary of the Company), as the purchaser
Purpose	:	for property development of the Land with a site area of approximately 590,000 square feet and a total gross floor area of about 4,725,000 square feet, in accordance with the conditions of the bidding rules and regulations

Consideration and payment terms

The total consideration amount for acquiring the land use rights of the Land is RMB7,242 million (equal to about HK\$7,517 million), which will be payable by cash instalments in manner as follows:-

Date of payment	Amount Payable
On the day of signing of the land contract, being within 30 working days from 20 September 2007	30%
Within 60 days from the first payment	30%
Within 180 days from the first payment	40%

Such consideration amount was the outcome of the public bidding held by Chengdu Municipal Land and Resources Bureau on 20 September 2007 which was conducted in accordance with the relevant PRC laws and regulations. It was determined on the basis of an accommodation value of about RMB1,533 per square foot. The consideration will be partly funded from Wharf Group's internal resources and partly funded by bank borrowings by the Wharf Group.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Directors believe that development of the Land is a viable investment, will broaden the asset and earnings base of, and will be beneficial to the Company and its shareholders as a whole. The Directors also consider that the terms of the Land Acquisition Transaction are in the interests of the Company and its shareholders, on normal commercial terms, and are fair and reasonable.

LETTER FROM THE BOARD

GENERAL

Following the acquisition, the Properties under development of the Company will be increased by HK\$7,517 million, the cash and cash equivalents will be decreased by HK\$757 million and the bank borrowings will be increased by HK\$6,760 million upon full payment of the consideration. The acquisition has no significant impact on the consolidated earnings attributable to shareholders of the Company.

The principal business activities of the Group are ownership of properties for development and letting, investment holding, container terminals and communications, media and entertainment.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, Chengdu Municipal Land and Resources Bureau is a third party independent of the Company and is not connected person (as defined in the Listing Rules) of the Company.

REGULATORY ASPECTS

On the basis that one or more of the applicable percentage ratios of the Company in respect of the financial commitment under the Land Acquisition Transaction are greater than 5% while all such ratios are less than 25% for the purposes of Rule 14.07 of the Listing Rules, the Land Acquisition Transaction constitutes a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix of this circular.

Your faithfully,
Peter K. C. Woo
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS' INTERESTS IN SHARES

As at the Latest Practicable Date, the interests (all being long positions) of the Directors and chief executive (if any) of the Company in the shares, underlying shares (if any) and debentures (if any) of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO), namely, Wharf and WPL (subsidiaries of the Company), which were required (a) to be notified to the Company 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 provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, together with the percentages which the relevant shares represented to the issued share capitals of the Company, Wharf and WPL, were as follows:

	Nature of Interest	Number of Ordinary Shares	Percentage Holdings
The Company			
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%
Gonzaga W. J. Li	Personal Interest	1,486,491	0.0732%
Stephen T. H. Ng	Personal Interest	300,000	0.0148%
B. M. Chang	Corporate Interest	8,629,575	0.4247%
Wharf			
Gonzaga W. J. Li	Personal Interest	686,549	0.0280%
Stephen T. H. Ng	Personal Interest	650,057	0.0266%
WPL			
Gonzaga W. J. Li	Personal Interest	2,900	0.0001%

Notes:

- (1) The 995,221,678 Shares 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. 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.

- (2) The shareholdings classified as “Corporate Interest” in which the Directors concerned were taken to be interested as stated above were interests of corporations at respective general meetings of which the relevant Directors were respectively 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.
- (3) The shareholding interests stated above as “Personal Interest” and “Corporate Interest” against the name of Mr. Peter K. C. Woo totalling 209,712,652 Shares represented the same block of Shares as that of the shareholding interest of Mrs. Bessie P. Y. Woo stated below in the section headed “Substantial Shareholders’ Interests”.
- (4) The 995,221,678 Shares as referred to under Note (1) above are entirely duplicated or included in the shareholding interest of HSBC Trustee (Guernsey) Limited stated below under the section headed “Substantial Shareholders’ Interests.”

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive (if any) of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company 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 provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS

Given below are the names of all parties, other than person(s) who is/are Director(s), who/which were, directly or indirectly, interested in 5% or more of the nominal value of any class of the Shares, the respective relevant numbers of the Shares in which they were, and/or were deemed to be, interested (all being long positions) as at the Latest Practicable Date as recorded in the register kept by the Company under section 336 of the SFO and the percentages which the Shares represented to the issued share capital of the Company:

Names	Number of Shares	Percentage Holdings
(i) Third Avenue Management LLC	123,151,000	6.06%
(ii) Bessie P. Y. Woo	209,712,652	10.32%
(iii) HSBC Trustee (Guernsey) Limited	1,095,300,362	53.91%

Note: Duplication occurred in respect of the shareholding interests under (ii) and (iii) above, as set out above in Notes (3) and (4) under the section headed “Directors’ Interests in Shares”.

Save as disclosed in this circular, as at the Latest Practicable Date and so far as is known to the Directors or chief executive (if any) of the Company, no other person had, or was deemed or taken to have, any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

LITIGATION

As at the Latest Practicable Date, as far as the Directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or any of their respective associates (as defined under the Listing Rules) is considered as having a competing interest pursuant to Rule 8.10 of the Listing Rules.

MISCELLANEOUS

- The company secretary of the Company is Mr. Wilson W. S. Chan, who is a fellow member of The Institute of Chartered Secretaries and Administrators.
- The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Mr. C. W. Tam, who is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- The transfer office of the Company is that of the Company's share registrars, namely, Tricor Tengis Limited, and is situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- The English text of this circular shall prevail over the Chinese text.