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WHEELOCK AND COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 20)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION

Reference is made to the announcement dated 9 October 2007 issued by HCDL in relation to a major transaction of the Land Acquisition Transaction together with the formation of the JV Co for the Land development.

The board of directors of the Company wishes to announce that on 9 October 2007, HCDL group together with Zhong Xin Suzhou Industrial, an independent third party, succeeded in bidding the Land at a price of RMB3,073 million (equal to about HK\$3,177.5 million). The HCDL group and Zhong Xin Suzhou Industrial will jointly develop the Land into commercial and residential properties. It is the current intention of the parties that approximately 84% of the area of the Land will be developed into residential properties for sale, with the remaining portion intended to be held for investment purposes. On 9 October 2007, the HCDL group has entered into a joint venture agreement with Zhong Xin Suzhou Industrial to form the JV Co for the Land development on a 80:20 ownership basis.

HCDL is an indirect non wholly-owned subsidiary of the Company. On the basis that one or more of the applicable percentage ratios in respect of the financial commitment under the Land Acquisition Transaction together with the formation of the JV Co, is/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 together with the formation of the JV Co constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, information relating to the Land Acquisition Transaction together with the formation of the JV Co will be dispatched to the shareholders of the Company as soon as practicable in accordance with the Listing Rules.

INTRODUCTION

On 9 October 2007, the HCDL group together with Zhong Xin Suzhou Industrial succeeded in bidding the Land at a price of RMB3,073 million (equal to about HK\$3,177.5 million). The HCDL group and Zhong Xin Suzhou Industrial will jointly develop the Land, through the formation of the JV Co on a 80:20 ownership basis, into commercial and residential properties. It is the current intention of the parties that approximately 84% of the area of the Land will be developed into residential properties for sale, with the remaining portion intended to be held for investment purposes.

DETAILS OF THE TENDER

Bidding Date	:	9 October 2007
Parties	:	Suzhou Industrial Park Land Bureau as the vendor the HCDL group together with Zhong Xin Suzhou Industrial as the purchaser
Purpose	:	commercial and residential development of the Land with a total site area of about 5,654,400 square feet and a total gross floor area of about 13,545,300 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 RMB3,073 million (equal to about HK\$3,177.5 million), which will be payable by cash instalments in manner as follows:-

<u>Date of payment</u>	<u>Amount payable</u>
20 September 2007	RMB400 million (equal to about HK\$413.6 million) (being deposit for the bidding)
Within 2 months after signing of the sales and purchase agreement for the Land (" S&P Agreement ")	RMB521.9 million (equal to about HK\$539.6 million)
Within 8 months after signing of the S&P Agreement	RMB768.25 million (equal to about HK\$794.4 million)
Within 16 months after signing of the S&P Agreement	RMB768.25 million (equal to about HK\$794.4 million)
Within 24 months after signing of the S&P Agreement	RMB614.6 million (equal to about HK\$635.5 million)

Such consideration amount was the outcome of a public bidding held by Suzhou Industrial Park Land Bureau on 9 October 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 RMB227 per square foot. The HCDL group and Zhong Xin Suzhou Industrial will be respectively responsible for the payment of the Land cost on a 80:20 ownership basis. The HCDL group's share of the consideration will be partly funded from its internal resources and partly funded by bank borrowings by the HCDL group.

Formation of joint venture for property development

Following the successful bidding of the Land on 9 October 2007, the HCDL group and Zhong Xin Suzhou Industrial have also entered into a joint venture agreement whereby the JV Co, to be owned as to 80% and 20% shareholding interest by the HCDL group and Zhong Xin Suzhou Industrial respectively, will be formed for the property development of the Land. It was agreed between the parties that the Land development project will be led by the HCDL group while Zhong Xin Suzhou Industrial will be responsible for, among others, obtaining relevant approvals and/or licenses from PRC authorities for the Land development.

Estimated maximum financial commitment and funding arrangements

Based on the Land cost of RMB3,073 million (approximately HK\$3,177.5 million) and other project costs, the estimated maximum financial commitment by the HCDL group, on a 80% pro rata basis, will be around RMB3,200.0 million (approximately HK\$3,308.8 million). Such estimated maximum financial commitment is calculated based on the funding requirement which was commercially assessed for the completion of the Land development project, plus a moderate buffer. Under the joint venture agreement, the remaining 20% will be borne by Zhong Xin Suzhou Industrial. The 80% portion to be borne by the HCDL group will be partly funded by the HCDL group's internal resources and partly by bank borrowings of the HCDL group. Other than the Land costs of RMB3,073 million (approximately HK\$3,177.5 million), which will be settled in accordance with the agreed schedule as mentioned above, whether and when to make available the funding of the remaining balance of the estimated maximum financial commitment amount will depend on the actual development progress of the Land project in the future.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The directors of the Company believe that the Land development 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 of the Company also consider that the terms of the Land Acquisition Transaction together with the formation of the JV Co are in the interests of the Company and its shareholders, on normal commercial terms, and are fair and reasonable.

GENERAL

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

Zhong Xin Suzhou Industrial is principally engaged in property development in the PRC. To the best of knowledge, information and belief of the directors of the Company having made all reasonable enquiries, Zhong Xin Suzhou Industrial and its ultimate beneficial owners are third parties independent of the Company and not its connected persons.

As at the date of this announcement, the board of directors of the Company comprises Mr. Peter K. C. Woo, Mr. Gonzaga W. J. Li, Mr. Stephen T. H. Ng and Mr. Paul Y. C. Tsui, together with three independent non-executive directors, namely, Mr. Alexander S. K. Au, Mr. B. M. Chang and Mr. Kenneth W. S. Ting.

REGULATORY ASPECTS

HCDL is an indirect non wholly-owned subsidiary of the Company, by reason of it being a 67%-owned subsidiary of Wharf, which in turn is a 50.00003%-owned subsidiary of the Company. On the basis that one or more of the applicable percentage ratios in respect of the financial commitment under the Land Acquisition Transaction together with the formation of the JV Co is/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 together with the formation of the JV Co constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, information relating to the Land Acquisition Transaction together with the formation of the JV Co will be dispatched to the shareholders of the Company as soon as practicable in accordance with the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings: -

“Company”	Wheelock and Company Limited (stock code: 20), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board
“Group”	Company together with its subsidiaries
“HCDL”	Harbour Centre Development Limited (stock code: 51), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board. It is a 67%-owned subsidiary of Wharf
“HCDL group”	HCDL together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Co”	Suzhou Gao Long Property Development Co., Ltd. (蘇州高龍房 發展有限公司), a joint venture company to be incorporated in the PRC by the HCDL group and Zhong Xin Suzhou Industrial for the development of the Land

“Land”	certain landed properties in Suzhou, the PRC with a total site area of approximately 5,654,400 square feet located at Suzhou Industrial Park 湖東中央商貿區翠園路南，星湖街西 (for commercial use) and 現代大道北，鐘南街西 (for residential use)
“Land Acquisition Transaction”	the successful bidding for the acquisition of the land use rights of the Land on 9 October 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wharf”	The Wharf (Holdings) Limited (stock code: 4), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board. It is a 50.00003%-owned subsidiary of Wheelock and Company Limited (stock code: 20) whose shares are listed on the Main Board
“Zhong Xin Suzhou Industrial”	中新蘇州工業園區置業有限公司, a company incorporated in the PRC with limited liability, an independent third party
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$1.034 = RMB1.00. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

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

Hong Kong, 11 October 2007