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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 Suzhou together with
formation of a joint venture company**

A letter from the board of directors of Wheelock and Company Limited is set out on pages 3 to 7 of this circular.

1 November 2007

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DEFINITIONS

In this circular, unless the contents otherwise requires, the following expressions 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 Stock Exchange
“Directors”	directors of the Company
“Group”	the 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 Stock Exchange. It is a 67%-owned subsidiary of Wharf
“HCDL Group”	HCDL together with its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“i-CABLE”	i-CABLE Communications Limited (stock code: 1097), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange. It is a 73%-owned subsidiary of Wharf
“JV Agreement”	joint venture agreement entered into by the HCDL Group and Zhong Xin Suzhou Industrial for the development of the Land
“JV Co”	Suzhou Gao Long Property Development Co., Ltd. (蘇州高龍房產發展有限公司), 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
“Land Grant Contract”	land grant contract dated 9 October 2007 for the acquisition of the land use rights of the Land
“Latest Practicable Date”	29 October 2007, being the latest practicable date prior to the printing of this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Share(s)”	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 (stock code: 4), 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
“WPL”	Wheelock Properties Limited (stock code: 49), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange. It is a 74%-owned subsidiary of the Company
“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

Unless otherwise specified in this circular, 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.

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,
Wheellock House,
20 Pedder Street,
Central,
Hong Kong

(Independent Non-executive Directors)*

1 November 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

Reference is made to the announcement issued by the Company on 11 October 2007 in relation to the entering into of the JV Agreement for the development of the Land after the successful bidding of 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 form the JV Co on a 80:20 ownership basis, for development of the Land into commercial and residential properties. It is the current intention of the parties that approximately 86% of the total area of the Land will be developed into residential properties for sale, with the remaining portion intended to be held for investment purposes.

LETTER FROM THE BOARD

DETAILS OF THE TENDER

Bidding Date:	9 October 2007
Parties:	Suzhou Industrial Park Land Bureau as the vendor The HCDL Group together with, among others, 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 has been paid/will be payable by cash instalments in manner as follows:-

Date of payment	Amount paid/payable
20 September 2007	RMB400 million (equal to about HK\$413.6 million) (being deposit for the bidding)
Within 2 months after signing of the Land Grant Contract	RMB521.9 million (equal to about HK\$539.6 million)
Within 8 months after signing of the Land Grant Contract	RMB768.25 million (equal to about HK\$794.4 million)
Within 16 months after signing of the Land Grant Contract	RMB768.25 million (equal to about HK\$794.4 million)
Within 24 months after signing of the Land Grant Contract	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.

LETTER FROM THE BOARD

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 entered into the JV 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.

PRINCIPAL TERMS OF THE JV AGREEMENT

Under the JV Agreement, certain rights and obligations in respect of the JV Co have been agreed between the HCDL Group and Zhong Xin Suzhou Industrial. A summary of the major terms and conditions of the JV Agreement is set out below:

Purpose:	To own, develop and sell the Land through the JV Co, to be owned by the HCDL Group and Zhong Xin Suzhou Industrial on a 80:20 ownership basis.
Total registered capital :	The total registered capital of the JV Co will be RMB4,000 million, of which the HCDL Group will be responsible for RMB3,200 million and Zhong Xin Suzhou Industrial for RMB800 million.
Profit and loss:	The HCDL Group and Zhong Xin Suzhou Industrial will share the profit and loss of the Land development in accordance with applicable laws and in proportion to their respective contribution to the registered capital (i.e. on a 80:20 basis).
Board representation:	The board of directors of the JV Co will comprise 5 directors of which 1 will be appointed by Zhong Xin Suzhou Industrial and 4 by the HCDL Group. The chairman of the board of the JV Co will be appointed by the HCDL Group.
Management:	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 (equal to about 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 million (equal to about HK\$3,308.8 million) and the estimated total investment for the development of the Land will be around RMB4,000 million (equal to about HK\$4,136 million). Such estimated maximum financial commitment is calculated based on the funding requirement, representing the HCDL Group's expected capital injection into the JV Co, which was commercially assessed for the completion of the Land development project, plus a moderate buffer. Under the JV Agreement, the remaining 20% will be borne by Zhong Xin Suzhou Industrial.

LETTER FROM THE BOARD

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 (equal to about 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. As at the Latest Practicable Date, the HCDL Group has already paid a sum of around RMB320 million (equal to about HK\$330.9 million), being the HCDL Group's share of the tender deposit for the Land.

EXPECTED COMMENCEMENT AND COMPLETION DATE OF THE LAND DEVELOPMENT

It is current intention of the HCDL Group and Zhong Xin Suzhou Industrial that, subject to compliance with all relevant laws and regulations in the PRC, the tentative commencement date of the Land development will be in around October 2008. Depending on the actual progress of the Land development going forward, it is currently expected that the project will be completed in around October 2013.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION TOGETHER WITH THE FORMATION OF THE JV CO

The Directors 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 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.

In addition, the principal reason for partnering with Zhong Xin Suzhou Industrial for the development of the Land is due to its expertise of the property development in the PRC property market.

GENERAL

Following the acquisition of Land, the properties under development of the Company will be increased by HK\$3,177.5 million, the cash and cash equivalents together with the available-for-sale investments will be decreased by HK\$1,779.4 million in total and the bank borrowings will be increased by HK\$762.6 million upon full payment of the 80% of the total consideration for the Land. 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 as well as communication, media and entertainment.

The principal activities of the HCDL Group are ownership of hotels and properties and investment.

LETTER FROM THE BOARD

The principal business activity of Zhong Xin Suzhou Industrial is property development in the PRC. To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, Zhong Xin Suzhou Industrial and its ultimate beneficial owners are third parties independent of the Company and, are not connected persons (as defined in the Listing Rules) of the Company.

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.

ADDITIONAL INFORMATION

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

Yours 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, i-CABLE, 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 four companies respectively, 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%
i-CABLE			
Gonzaga W. J. Li	Personal Interest	68,654	0.0034%
Stephen T. H. Ng	Personal Interest	1,065,005	0.0527%
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 the 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 share capital of the Company, 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.