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恒基兆業地產有限公司

HENDERSON LAND DEVELOPMENT COMPANY LIMITED

Incorporated in Hong Kong with limited liability

(Stock Code : 12)

PROPOSED BONUS ISSUE OF WARRANTS



Financial Adviser to the Company

Proposed Bonus Warrants Issue

The Board proposes a Bonus Warrants Issue on the basis of one (1) Warrant for every five (5) Shares held on the Record Date. The Warrants will be issued in registered form. The Warrants will entitle the holders thereof to subscribe an aggregate of up to 429,348,478 Shares at an initial subscription price of HK\$58.00 per Share (subject to adjustment). The Warrants will be exercisable at any time during a period of one (1) year commencing from the date of first issue of the Warrants up to the date immediately preceding the first anniversary of the date of first issue of the Warrants, both days inclusive.

Record Date and Closure of Register of Members

Warrants to be issued in relation to the Bonus Warrants Issue will only be issued to Qualified Shareholders. To qualify for the Bonus Warrants Issue and for Warrants to be issued under the Bonus Warrants Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. The register of members of the Company will be closed from Tuesday, 20 April 2010 to Friday, 23 April 2010 (both days inclusive) for determining entitlements to the Bonus Warrants Issue. No transfer of Shares may be registered during the book close period. The last day of dealings in Shares cum entitlements to the Bonus Warrants Issue is Thursday, 15 April 2010.

General

The Bonus Warrants Issue is conditional upon:-

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Warrants Issue and the issue of new Shares falling to be issued upon exercise of the subscription rights attaching to the Warrants; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

The Circular containing, among other things, further details of the Bonus Warrants Issue and the notice for the EGM will be despatched to Shareholders as soon as practicable.

HSBC is the financial adviser to the Company in connection with the Bonus Warrants Issue.

PROPOSED BONUS WARRANTS ISSUE

Basis of Bonus Warrants Issue

As mentioned in the results announcement of the Company for the eighteen months ended 31 December 2009 published on 30 March 2010, the Directors have announced a proposed bonus issue of Warrants on the basis of one (1) Warrant for every five (5) Shares held on the Record Date. The Warrants will be issued in registered form. Warrants to be issued in relation to the Bonus Warrants Issue will only be issued to Qualified Shareholders.

Conditions

The Bonus Warrants Issue is conditional upon:-

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Warrants Issue and the issue of new Shares falling to be issued upon exercise of the subscription rights attaching to the Warrants; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal, in the Warrants and any Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

Number of Warrants to be Issued

Each Warrant will entitle its holder to subscribe one (1) Share in the Company. Based on the 2,146,742,390 Shares in issue as at the date of this announcement and assuming that no further Shares are issued or repurchased by the Company from the date of this announcement up to the Record Date, the maximum number of Warrants to be issued will be 429,348,478 units entitling the

holders thereof to subscribe a maximum of 429,348,478 new Shares, representing approximately 20.0% of the issued share capital of the Company as at the date of this announcement and approximately 16.7% of the issued share capital of the Company as enlarged by the new Shares to be issued upon the exercise of all the Warrants.

As at the date of this announcement, the Company has no outstanding share options or convertible securities entitling any person to subscribe for Shares prior to the Record Date.

Subscription Price

The Warrants will entitle the holders to subscribe an aggregate of up to 429,348,478 Shares at an initial subscription price of HK\$58.00 per Share in cash (subject to adjustment). The initial subscription price represents:-

- (i) a premium of approximately 3.02% to the closing price per Share of HK\$56.30 as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 5.11% to the average closing price per Share of approximately HK\$55.18 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

Subscription Period

The Warrants will be exercisable at any time during a period of one (1) year commencing from the date of first issue of the Warrants up to the date immediately preceding the first anniversary of the date of first issue of the Warrants, both days inclusive.

Record Date

To qualify for the Bonus Warrants Issue and for Warrants to be issued under the Bonus Warrants Issue, a Shareholder must on the Record Date:

- be registered as a member of the Company; and
- not be an Excluded Shareholder.

Closure of Register of Members

The register of members of the Company will be closed from Tuesday, 20 April 2010 to Friday, 23 April 2010 (both days inclusive) for determination of entitlements under the Bonus Warrants Issue. No transfer of Shares may be registered during the book close period. The last day of dealings in Shares cum entitlements to the Bonus Warrants Issue is Thursday, 15 April 2010.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Company's Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration by not later than 4:30 p.m. (Hong Kong time) on Monday, 19 April 2010.

Fractional Entitlements to the Warrants

Fractional entitlements to the Warrants (if any) will not be issued to any Shareholder but will be aggregated and sold in the market for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

Overseas Shareholders

The Circular and the Warrants to be issued in relation to the Bonus Warrants Issue will not be registered under any securities legislation outside Hong Kong. The Company will make enquiries as to whether the issue of Warrants to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If after making such enquiry the Board is of the opinion that it would be necessary or expedient not to issue the Warrants to such Overseas Shareholders, the Warrants will not be issued to the Excluded Shareholders.

Any Warrants which would otherwise have been issued to the Excluded Shareholders will be sold in the market as soon as practicable after dealings in the Warrants commence. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars pro rata to such Excluded Shareholders' respective entitlements by post at their own risk unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will not be distributed but will be retained for the benefit of the Company.

Status of the Shares to be Issued upon Exercise of the Warrants

Shares which are allotted and issued on the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the then Shares in issue on the date of such allotment and issue.

REASONS FOR THE BONUS WARRANTS ISSUE AND USE OF PROCEEDS

The Board believes that the Bonus Warrants Issue will provide Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrants Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Warrants are exercised.

The Company intends to apply any subscription moneys received as and when subscription rights under the Warrants are exercised towards the general working capital of the Group or for such other purposes as the Directors deem necessary, taking into consideration the requirements of the Company prevailing at the relevant time. The Company did not raise any other funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE FOR THE BONUS WARRANTS ISSUE

The expected timetable for the Bonus Warrants Issue is set out below:

2010

Last day of dealings in Shares on a cum-entitlements basis for the Bonus Warrants Issue	Thursday, 15 April
First day of dealings in Shares on an ex-entitlements basis for the Bonus Warrants Issue	Friday, 16 April
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Warrants Issue	4:30 p.m. on Monday, 19 April
Closure of register of members (both days inclusive) from to	Tuesday, 20 April Friday, 23 April
Record Date for determining entitlements to Warrants.	Friday, 23 April
Certificates for the Warrants expected to be despatched before	Wednesday, 23 June

The first day of dealing in Warrants will be set out in the Circular.

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Bonus Warrants Issue are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Bonus Warrants Issue will be published or notified to Shareholders as appropriate.

GENERAL

The Circular containing, among other things, further details of the Bonus Warrants Issue and the notice for the EGM will be despatched to Shareholders as soon as practicable.

HSBC has been appointed as financial adviser to the Company in connection with the Bonus Warrants Issue.

DEFINITIONS

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

- “Board” the board of Directors;
- “Bonus Warrants Issue” the proposed conditional bonus issue of Warrants by the Company to the Shareholders on the basis of one (1) Warrant for every five (5) Shares held by the Shareholders on the Record Date, subject to the restrictions on the entitlements of the Overseas Shareholders as set out in the section headed “Overseas Shareholders” in this announcement above;
- “Circular” the circular containing, among other things, further details of the Bonus Warrants Issue and the notice for the EGM to be despatched to the Shareholders in due course, which is also the prospectus document relating to the Bonus Warrants Issue prepared in accordance with the requirements of the Listing Rules and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- “Company” Henderson Land Development Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange;
- “Directors” directors of the Company;
- “EGM” the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, the resolution in relation to the Bonus Warrants Issue and the issue of new Shares falling to be issued upon exercise of the subscription rights attaching to the Warrants;
- “Excluded Shareholders” Overseas Shareholders to whom the Directors, having made enquiries regarding the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, consider it necessary or expedient not to offer the Warrants on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;
- “Group” the Company and its subsidiaries;
- “HK\$” Hong Kong dollars, the lawful currency of Hong Kong;
- “Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China;
- “HSBC” The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future 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);

“Last Trading Day”	29 March 2010, being the last trading day of the Shares prior to the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register are outside Hong Kong;
“Qualified Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders;
“Record Date”	Friday, 23 April 2010, being the record date for determining entitlements to the Bonus Warrants Issue;
“Warrant(s)”	warrant(s) to be constituted by an instrument by way of deed poll to be executed by the Company and to be issued by the Company entitling the holders thereof to subscribe an aggregate of up to 429,348,478 Shares at an initial subscription price of HK\$58.00 per Share (subject to adjustment) at any time during a period of one (1) year commencing from the date of first issue of the Warrants up to the date immediately preceding the first anniversary of the date of first issue of the Warrants, both days inclusive;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$2 each in the share capital of the Company;
“Shareholder(s)”	holders of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board
Henderson Land Development Company Limited
Timon Liu Cheung Yuen
Company Secretary

Hong Kong, 30 March 2010

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Colin Lam Ko Yin, Lee Ka Shing, John Yip Ying Chee, Alexander Au Siu Kee, Suen Kwok Lam, Lee King Yue, Fung Lee Woon King, Eddie Lau Yum Chuen, Li Ning and Patrick Kwok Ping Ho; (2) non-executive directors: Woo Po Shing, Leung Hay Man, Angelina Lee Pui Ling, Lee Tat Man and Jackson Woo Ka Bui (as alternate to Woo Po Shing); and (3) independent non-executive directors: Gordon Kwong Che Keung, Ko Ping Keung and Wu King Cheong.