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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)

ANNOUNCEMENT

(I) PREMIUM ASSESSMENT FOR LANDS EXCHANGE (II) OTHER PROPOSED LAND ACQUISITIONS

This is a voluntary announcement made by the board of directors (the **“Board”**) of Henderson Land Development Company Limited (the **“Company”**).

(I) PREMIUM ASSESSMENT FOR LANDS EXCHANGE

The land exchange in various land lots located in Demarcation District No. 206, Lok Wo Sha, Wu Kai Sha, New Territories, Hong Kong (the “Lands”)

The Lands are currently owned by certain subsidiaries of the Company (the **“HL Subsidiaries”**) and a subsidiary of New World Development Company Limited (collectively the **“Developers”**) as tenants in common in the proportion of 68% (or 56.75% after excluding certain minority interests in relation to those HL Subsidiaries not wholly-owned by the Company) and 32% respectively.

The Developers had been in discussion with the Government of Hong Kong Special Administrative Region (the **“Government”**) in relation to a possible exchange of the Lands with the Government (the **“Proposed Transaction”**), to enable the sites concerned to be developed into a residential development. During the course of discussion, the Developers appealed against the assessed amount of premium offered for the Proposed Transaction. On 19 October 2009, the Developers received from the Government a revised offer of the amount of premium for the Proposed Transaction. The Government has revised the amount of premium to HK\$9,596,950,000 and offered to proceed with the Proposed Transaction subject to the terms and conditions of the relevant land grant for the relevant sites. The revised amount of premium is considered to be at an acceptable level. The Developers have therefore decided to accept the offer for the revised premium. Arrangements will be made to deliver the acceptance letter to the Government before the time limit of 18 November 2009.

According to the terms of the Proposed Transaction and the revised offer, the Developers are required to pay a deposit equal to 10% of the revised premium upon acceptance. The balance of the premium is required to be paid within three months thereafter. The Developers would bear the revised premium in proportion to their respective interests in the Lands. On that basis, the relevant share to be borne by the HL Subsidiaries would amount to approximately HK\$6,525,930,000 (or approximately HK\$5,446,270,000 borne by the Company after excluding certain minority interests).

It is proposed that, after the Proposed Transaction, the Lands would be developed into a residential development with a total gross floor area of not more than 274,123 square meters (which equals to approximately 2,950,632 square feet). On that gross floor area, such premium to be accepted will be equivalent to approximately HK\$3,253 per square foot.

The Lands are booked as trading stocks of the Company and its subsidiaries (the “**Group**”). The Proposed Transaction, which is of a revenue nature, will be entered into in the ordinary and usual course of business of the Group.

(II) OTHER PROPOSED LAND ACQUISITIONS

Recently, the Group has been actively pursuing an increase in its land bank in the urban areas of Hong Kong, and has acquired properties in certain old buildings in the market for redevelopment purpose. Set out below are certain sites in which the Group has acquired a majority of the ownership of the relevant old buildings thereon:

	<u>Address</u>	<u>Site Area (Square Feet)</u>	<u>Expected Gross Floor Area in future redevelopment (Square Feet)</u>
1)	Western Court 450-456G Queen’s Road West, Hong Kong.	29,875	260,000
2)	34-38 Po Tuck Street & 36 Clarence Terrace, Sai Wan, Hong Kong	5,471	38,500
3)	3-7A Gordon Road, Hong Kong	5,481	47,700
4)	62-72 Main Street, Ap Lei Chau, Hong Kong	5,973	52,000
5)	Matauwei Apartments 57-69 Ma Tau Wai Road, Bailey Street 2-20 and 18A-30 Sung Chi Street, To Kwa Wan, Kowloon	23,031	207,200
6)	Hoi On Building 11-33 Li Tak Street, Tai Kok Tsui, Kowloon	19,600	166,600

7)	186-188 Tai Po Road, Sham Shui Po, Kowloon	8,234	70,000
8)	Keung Fu Building 45-49 Boundary Street & 189-195 Sai Yeung Choi Street North, Kowloon	5,880	52,900
9)	162-164 Pau Chung Street, 50-56 Ma Tau Kok Road, To Kwa Wan, Kowloon.	5,850	52,600
	Total:	109,395	947,500

The above sites are located in the vicinity of the existing railway lines or the railway lines to be constructed, and are proposed to be redeveloped primarily as residential and commercial properties. With a view to unifying the ownership of the above sites, the Group intends to apply for auctions of such properties under the Land (Compulsory Sale For Redevelopment) Ordinance (Cap. 545 of the Laws of Hong Kong) shortly for those properties that meet the requirement for such auctions. The aggregate amount of funds for the acquisition of the sites is estimated to be approximately HK\$4,200,000,000. Further, the Group would continue to acquire in the market suitable sites in the urban areas of Hong Kong. Currently, numerous acquisitions are in progress, involving a number of old buildings which may be redeveloped. The estimated total amount of funds required for such acquisitions is about HK\$6,000,000,000.

GENERAL

On the whole, the Group is optimistic about the performance of the Hong Kong property market in the long-run. In addition to the Proposed Transaction and those land acquisitions in progress, the Group will continue to increase its land bank by further land acquisitions and negotiations with the Government on the modification of land-use of the lands of the Group.

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

Hong Kong, 29 October 2009

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 Biu (as alternate to Woo Po Shing); and (3) independent non-executive directors: Gordon Kwong Che Keung, Ko Ping Keung and Wu King Cheong.