
THIS SUPPLEMENTARY CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this supplementary circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Henderson Land Development Company Limited**, you should at once hand this supplementary circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this supplementary circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplementary circular.

This supplementary circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



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)

SUPPLEMENTARY CIRCULAR TO
THE CIRCULAR TO SHAREHOLDERS DATED 20 OCTOBER 2007

GROUP REORGANISATION OF
HENDERSON LAND DEVELOPMENT COMPANY LIMITED'S INTERESTS
IN THE HONG KONG AND CHINA GAS COMPANY LIMITED

DISCLOSEABLE TRANSACTION

ACQUISITION OF HENDERSON INVESTMENT LIMITED'S INTERESTS IN
THE HONG KONG AND CHINA GAS COMPANY LIMITED

INCREASE OF CASH CONSIDERATION

Financial Adviser to Henderson Land Development Company Limited
Morgan Stanley

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DEFINITIONS

In this supplementary circular, the following expressions have the following meanings unless the context requires otherwise. Unless otherwise defined herein, expressions defined in the Circular shall have the same meanings when used in this supplementary circular.

“Additional Cash Consideration”	means the additional consideration of approximately HK\$3,121 million in cash payable by the Company to HIL under the Amended Acquisition Agreement
“Additional Cash Distribution”	means the proposed distribution by HIL to the HIL Shareholders, upon Completion, of HK\$1.03 in cash per HIL Share, being approximately HK\$3,139 million in total (based on the 3,047,327,395 HIL Shares in issue as at the date of the Supplemental Acquisition Agreement)
“Amended Acquisition Agreement”	means the Acquisition Agreement as amended by the Supplemental Acquisition Agreement
“Circular”	means the circular dated 20 October 2007 issued by the Company to its shareholders
“Company”	means Henderson Land Development Company Limited, which shares are listed on the Stock Exchange
“HLD Average Closing Price”	means the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the 10 trading days immediately preceding 2 October 2007
“Supplemental Acquisition Agreement”	means the supplemental agreement dated 7 November 2007 entered into between the Company and HIL relating to the Additional Cash Consideration

LETTER FROM THE BOARD



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)

Executive Directors :

Lee Shau Kee (*Chairman and Managing Director*)
Lee Ka Kit (*Vice Chairman*)
Colin Lam Ko Yin (*Vice Chairman*)
Lee Ka Shing (*Vice Chairman*)
John Yip Ying Chee
Alexander Au Siu Kee
Suen Kwok Lam
Lee King Yue
Fung Lee Woon King
Eddie Lau Yum Chuen
Li Ning
Patrick Kwok Ping Ho

Registered Office :

72nd-76th Floors
Two International Finance Centre
8 Finance Street
Central
Hong Kong

Non-executive Directors :

Woo Po Shing
Leung Hay Man
Angelina Lee Pui Ling
Lee Tat Man
Jackson Woo Ka Biu (*Alternate Director to Woo Po Shing*)

Independent Non-executive Directors:

Gordon Kwong Che Keung
Ko Ping Keung
Wu King Cheong

14 November 2007

To the Shareholders

Dear Sir or Madam,

**GROUP REORGANISATION OF
HENDERSON LAND DEVELOPMENT COMPANY LIMITED'S INTERESTS
IN THE HONG KONG AND CHINA GAS COMPANY LIMITED
DISCLOSEABLE TRANSACTION
ACQUISITION OF HENDERSON INVESTMENT LIMITED'S INTERESTS IN
THE HONG KONG AND CHINA GAS COMPANY LIMITED
INCREASE OF CASH CONSIDERATION**

1. INTRODUCTION

This supplementary circular should be read in conjunction with the Circular.

LETTER FROM THE BOARD

On 20 October 2007, the Company despatched to the Shareholders the Circular in respect of the Acquisition Agreement and the Transaction. On 7 November 2007, the Company and HIL jointly announced that at the request of HIL made in response to views expressed by some shareholders of HIL, the Company, being the controlling shareholder of HIL and the purchaser under the Acquisition Agreement, has on 7 November 2007 agreed, as an additional incentive to HIL Shareholders, to increase the cash consideration payable under the Acquisition Agreement by way of the Additional Cash Consideration of approximately HK\$3,121 million by entering into the Supplemental Acquisition Agreement with HIL.

Taking into account the Additional Cash Consideration and based on the HLD Average Closing Price of HK\$61.475, the value of the total consideration has increased from approximately HK\$42,860 million to approximately HK\$45,981 million, representing an increase of approximately 7.28%.

The purpose of this supplementary circular is to provide you with, among other things, further details of the Amended Acquisition Agreement and the Transaction (as amended).

2. INCREASE OF CASH CONSIDERATION UNDER THE ACQUISITION AGREEMENT

As set out in the Circular, the consideration of the Acquisition Agreement originally comprised:

- (a) the issue to HIL of the Share Entitlement Note, which shall confer on the holder the right to call for the issue by the Company of 636,891,425 Shares credited as fully paid. Based on the HLD Average Closing Price of HK\$61.475, the aggregate value of such 636,891,425 Shares is approximately HK\$39,153 million; and
- (b) HK\$3,707 million in cash.

Taking into account the Additional Cash Consideration of approximately HK\$3,121 million payable by the Company under the Supplemental Acquisition Agreement and the original cash consideration of approximately HK\$3,707 million payable by the Company under the Acquisition Agreement, the aggregate cash consideration payable by the Company under the Transaction (as amended) amounts to approximately HK\$6,828 million.

As a result of the Additional Cash Consideration, the value of the total consideration has increased from approximately HK\$42,860 million to approximately HK\$45,981 million, representing an increase of approximately 7.28%. Such increase in consideration values each HKCG Share at approximately HK\$19.426, which represents an increase of approximately 7.28% to the HKCG Average Closing Price of HK\$18.108 per HKCG Share.

In relation to the Additional Cash Distribution of approximately HK\$3,139 million, the Group will be entitled to up to approximately HK\$2,133 million (based on their holding of 2,070,473,859 HIL Shares as at the date of the Supplemental Acquisition Agreement).

The Company and HIL consider that the level of increase represented by the Additional Cash Consideration would be an appropriate additional incentive to HIL Independent Shareholders to vote in favour of the Transaction (as amended).

LETTER FROM THE BOARD

Save as aforesaid, all the other terms and conditions of the Transaction remain unchanged. The Transaction (as amended) remains a discloseable transaction of the Company. The Board believes that the terms of the Transaction (as amended) are fair and reasonable and in the interests of the Shareholders as a whole.

3. FINANCIAL EFFECTS OF THE TRANSACTION (AS AMENDED)

The Transaction (as amended) will not have material effect on the Group's assets, liabilities or earnings.

4. ADDITIONAL INFORMATION

The English language text of this supplementary circular shall prevail over the Chinese language text in case of inconsistency.

Shareholders and potential investors should note that the Transaction (as amended), the Proposed Distributions, the Additional Cash Distribution and the Share Premium Reduction may or may not proceed as they are subject to a number of conditions, which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Yours faithfully,
For and on behalf of the Board
Dr. Lee Shau Kee
Chairman

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

This supplementary 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 supplementary 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.

2. GENERAL

The Directors confirmed that, save as disclosed in this supplementary circular, as at 9 November 2007 (being the latest practicable date prior to the printing of this supplementary circular for the purpose of ascertaining certain information for inclusion in this supplementary circular), there was no material change to the information contained in the Circular.