
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, 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 circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without Henderson Land Development Company Limited to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities



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)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND FOR THE
YEAR ENDED 31 DECEMBER 2013**

DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“2014 AGM”	the annual general meeting of the Company held at the Four Seasons Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Monday, 9 June 2014 at 11:30 a.m.;
“Board”	the board of directors of the Company;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“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;
“Election Form”	the form of election in relation to the Scrip Dividend Scheme;
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date (except Shareholders with registered addresses in the State of California of the United States);
“Final Dividend”	the final dividend of HK\$0.74 per Share for the year ended 31 December 2013 payable on Friday, 18 July 2014 to Shareholders whose names appeared on the register of members of the Company on the Record Date;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	Tuesday, 17 June 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“New Share(s)”	new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme;
“Overseas Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date and whose addresses as shown on such register were in places outside Hong Kong;

DEFINITIONS

“Record Date”	Tuesday, 17 June 2014, being the date for determining Shareholders who qualify for the Final Dividend;
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on Thursday, 20 March 2014 which offers Shareholders a scrip alternative whereby Shareholders may elect to receive the Final Dividend wholly or partly by the allotment of New Shares in lieu of cash;
“Share(s)”	the share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States”	United States of America or any of its territories or possessions; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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:

Dr Lee Shau Kee
(Chairman and Managing Director)
Lee Ka Kit (Vice Chairman)
Lam Ko Yin, Colin (Vice Chairman)
Lee Ka Shing (Vice Chairman)
Yip Ying Chee, John
Suen Kwok Lam
Lee King Yue
Fung Lee Woon King
Lau Yum Chuen, Eddie
Li Ning
Kwok Ping Ho
Wong Ho Ming, Augustine

Independent Non-executive Directors:

Kwong Che Keung, Gordon
Professor Ko Ping Keung
Wu King Cheong
Woo Ka Biu, Jackson
Leung Hay Man
Professor Poon Chung Kwong
Dr Chung Shui Ming, Timpson
Au Siu Kee, Alexander

Registered Office:

72-76/F., Two International Finance Centre
8 Finance Street, Central
Hong Kong

Non-executive Directors:

Lee Pui Ling, Angelina
Lee Tat Man

20 June 2014

To the Shareholders of the Company

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

On 20 March 2014, the Company announced that the Board had declared the payment of the Final Dividend to Shareholders whose names appear on the register of members of the Company on the Record Date. At the 2014 AGM, the Final Dividend was approved by the Shareholders. Eligible Shareholders may elect to receive the Final Dividend in cash, or in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme.

The purpose of this circular is to provide you with the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

LETTER FROM THE BOARD

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Eligible Shareholders may elect to receive the Final Dividend in one of the following ways:

- (a) cash of HK\$0.74 per Share; or
- (b) an allotment of such number of New Shares having a market value (as calculated below) equal to, save for adjustment for fractions, the amount of Final Dividend which Shareholders would otherwise be entitled to receive in cash; or
- (c) partly cash and partly New Shares.

BASIS OF ALLOTMENT OF NEW SHARES

For the purpose of calculating the number of New Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of a New Share, which is calculated as equivalent to the average closing price of one Share as quoted on the Stock Exchange for the five consecutive trading days commencing from Wednesday, 11 June 2014 to Tuesday, 17 June 2014 (both days inclusive), is HK\$46.46 per Share (the "Average Closing Price"). Accordingly, the number of New Shares which the Eligible Shareholders (are entitled to receive) in respect of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{rcl} \text{Number of} & & \text{Number of Shares held} \\ \text{New Shares to be} & = & \text{on the Record Date and} \\ \text{received} & & \text{elected for the New Shares} \end{array} \quad \times \quad \frac{\text{HK\$0.74 (Final Dividend per Share)}}{\text{HK\$46.46 (Average Closing Price)}}$$

The number of New Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. Fractional entitlements to the New Shares in respect of choices (b) and (c) above will be paid in the form of cash dividend to the respective Shareholders concerned. The New Shares will, on issue, rank *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the Final Dividend.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. It will also benefit the Company to the extent that cash which would otherwise have been paid to the Shareholders who elect to receive the New Shares, in whole or in part in lieu of cash dividend, will be retained for use as working capital of the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 2,698,996,140 Shares in issue as at the Record Date, if all Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be HK\$1,997,257,144. If all Eligible Shareholders elect to receive all of their entitlement to the Final Dividend in the form of New Shares in lieu of cash and based on the Average Closing Price, the

LETTER FROM THE BOARD

maximum number of New Shares to be issued under the Scrip Dividend Scheme would be 42,988,640 Shares, representing approximately 1.59% of the total number of issued shares of the Company as at the Latest Practicable Date and approximately 1.57% of the total number of issued shares of the Company immediately after the issue of such New Shares.

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive your Final Dividend wholly in cash, you do not need to take any action and DO NOT return the Election Form. Shareholders who do not make an election to receive their Final Dividend in New Shares will receive the dividend in cash.

If you wish to receive your Final Dividend wholly in New Shares, please just SIGN, DATE and RETURN the Election Form.

If you wish to receive your Final Dividend partly in cash and partly in New Shares, you should fill in Box C of the Election Form the number of registered Shares you held on the Record Date for which you wish your Final Dividend to be paid in New Shares and then SIGN, DATE and RETURN the Election Form.

If you do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive only New Shares in respect of all the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the Final Dividend.

The enclosed Election Form should be completed in accordance with the instructions printed thereon and return the same to the Company's Registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, **by 4:30 p.m. on Tuesday, 8 July 2014**. The deadline for submission of Election Forms will be adjusted if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 8 July 2014. Instead the deadline for submission of Election Forms will be 5:00 p.m. on the same business day; or

LETTER FROM THE BOARD

- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 8 July 2014. Instead the deadline for submission of Election Forms will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Final Dividend being paid wholly in the form of cash. Election in respect of the Final Dividend cannot be in any way withdrawn, revoked, superseded, or altered after the relevant Election Form is signed and lodged with the Company's Registrar. No acknowledgement of receipt of the Election Form will be issued.

SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Based on the relevant legal opinions obtained and/or on account of the relevant legal and/or regulatory restrictions and/or requirements as at the Latest Practicable Date, Overseas Shareholders (except Shareholders with registered addresses in the State of California of the United States) are eligible to participate in the Scrip Dividend Scheme.

Based on the relevant legal opinions obtained, your attention is drawn to the following statements in respect of Australia, New Zealand, Philippines, Singapore, Taiwan, the United Kingdom and United States, respectively:

Australia

This circular is not a prospectus under Australian law and that Shareholders should seek their own professional advice in deciding whether to elect to receive the Final Dividend wholly or partly in the form of New Shares under the Scrip Dividend Scheme. The Company is not licensed in Australia to provide financial advice in respect of the New Shares. The Company also advises that no cooling off period applies in respect of an application for the New Shares.

New Zealand

The New Shares being offered under the Scrip Dividend Scheme are being offered to the Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This circular is not an investment statement or prospectus under New Zealand law and has not been registered, filed with, or approved by any New Zealand regulatory authority or under or in accordance with the New Zealand Securities Act 1978 or any other relevant law in New Zealand. It may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

It is a term of the offer that the offer of the securities to the Eligible Shareholders in New Zealand is made in compliance with the law of Hong Kong and any code, rules or other requirements relating to the offer of the securities that apply in Hong Kong.

LETTER FROM THE BOARD

Philippines

Shareholders whose addresses as shown on the register of members of the Company are in the Philippines on the Record Date (the “**Philippine Shareholders**”) should note that exemption from registration in respect of offer of the New Shares pursuant to the Scrip Dividend Scheme is claimed under Section 10.1(d) of the Philippine Securities Regulation Code. No confirmation needs to be obtained from the Philippine Securities and Exchange Commission that the offer of the New Shares to the Philippine Shareholders pursuant to the Scrip Dividend Scheme qualifies as an exempt transaction, and therefore, no such confirmation has been obtained. **THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Singapore

This circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this circular, the Election Form and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to a Shareholder whose name appeared on the register of members of the Company on the Record Date pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”) or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Taiwan

The offer of the New Shares has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to the relevant securities laws and regulations and such New Shares may not be offered or sold within Taiwan through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised or will be authorised to offer or sell the New Shares issued in Taiwan.

United Kingdom

This Circular does not constitute a prospectus for the purpose of the United Kingdom Listing Authority Prospectus Rules, made under Part IV of the Financial Services and Markets Act 2000 pursuant to European Union Directive (2003/71/EC), by virtue of Article 4.1(d) of that Directive and has not been approved by or filed with a competent authority in the United Kingdom.

United States

SHAREHOLDERS WITH REGISTERED ADDRESSES IN THE STATE OF CALIFORNIA OF THE UNITED STATES WILL NOT BE PERMITTED TO PARTICIPATE IN THE SCRIP DIVIDEND SCHEME AND THEY WILL RECEIVE THE FINAL DIVIDEND WHOLLY IN

LETTER FROM THE BOARD

CASH. The Company has been advised by its legal advisers on the laws of the United States that the Company would need to take additional steps to comply with the regulatory requirements of the relevant regulatory authorities in the State of California if the Shares to be issued under the Scrip Dividend Scheme are to be issued to Shareholders with registered addresses in the State of California. Having considered such advice on the relevant legal and regulatory requirements, the Directors considered such exclusion to be necessary or expedient pursuant to Rule 13.36(2) of the Rules Governing the Listing of Securities on the Stock Exchange. Therefore, **SHAREHOLDERS IN THE STATE OF CALIFORNIA ARE NOT ELIGIBLE SHAREHOLDERS AND THIS CIRCULAR HAS BEEN SENT TO SUCH SHAREHOLDERS FOR INFORMATION ONLY AND NO ELECTION FORM IS BEING SENT TO SUCH SHAREHOLDERS.**

United States Resident Holders of American Depositary Receipts (“ADR”)

The right to elect to receive the Final Dividend in the form of fully paid New Shares is not extended to the ADR holders and therefore ADR holders will receive their entitlements thereof wholly and only in the form of cash. Even if an ADR holder instructs the depository to elect to receive the Final Dividend in the form of fully paid New Shares in respect of his entitlement thereof, the ADR holder will only receive cash proceeds from sale of the relevant New Shares issued to the depository as distribution of dividends by the Company.

General

All other Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of cash dividend must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong.

BOOK CLOSURE PERIOD

The register of members of the Company was closed from Friday, 13 June 2014 to Tuesday, 17 June 2014, both days inclusive, for the purpose of determining Shareholders who qualify for the Final Dividend.

CONDITIONS OF SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the New Shares.

In the unlikely event that above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the Final Dividend will then be paid wholly in cash.

LETTER FROM THE BOARD

SHARE CERTIFICATES AND STOCK EXCHANGE LISTING

Application has been made to the Listing Committee of the Stock Exchange for a listing of and permission to deal in the New Shares. It is expected that the share certificates for the New Shares and cheques for cash dividends will be sent by ordinary mail to Shareholders at their own risk on Friday, 18 July 2014. The first day of dealings in the New Shares on the Stock Exchange is expected to be on or about Tuesday, 22 July 2014.

The Shares are listed on and dealt in the Stock Exchange. Except for the listing of the Medium Term Note Programme on the Stock Exchange and Singapore Exchange Limited, no part of Shares or debt securities of the Company is listed or dealt in or on any other stock exchange and the Company is not currently seeking the listing or permission to deal in its securities on any other stock exchange.

CENTRAL CLEARING AND SETTLEMENT SYSTEM

Subject to the granting of the listing of, and permission to deal in, New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

GENERAL

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Final Dividend in New Shares may be allotted in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
Lee Shau Kee
Chairman