
THIS SUPPLEMENTARY CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplementary circular or as to the action to be taken, 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 Investment Limited**, you should at once hand this supplementary circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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恒基兆業發展有限公司
HENDERSON INVESTMENT LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code:97)

**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
VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
ACQUISITION OF HENDERSON INVESTMENT LIMITED'S INTERESTS IN
THE HONG KONG AND CHINA GAS COMPANY LIMITED
BY HENDERSON LAND DEVELOPMENT COMPANY LIMITED
INCREASE OF CASH CONSIDERATION AND
ADDITIONAL CASH DISTRIBUTION OF HK\$1.03 PER SHARE**

Independent Financial Adviser to the Independent Shareholders



CIMB-GK Securities (HK) Limited

This supplementary circular should be read in conjunction with the Circular to Shareholders dated 20 October 2007.

A letter from the Board is set out on pages 2 to 11 of this supplementary circular. A supplemental letter from CIMB-GK Securities (HK) Limited containing its advice to the Independent Shareholders is set out on pages 12 to 17 of this supplementary circular.

A notice convening the New EGM to be held at Cuisine Cuisine, 3101, Podium Level 3, ifc mall, Central, Hong Kong, on Friday, 7 December 2007 at 4:00 p.m. is set out on pages 32 to 35 of this supplementary circular. A form of proxy for use by the Shareholders at the New EGM is also enclosed. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting, or any adjourned meeting, should you so wish.

14 November 2007

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UPDATED EXPECTED TIMETABLE

2007

Latest time for lodging transfers of Shares in order to be entitled to attend and vote at the New EGM	4:00 p.m. on Wednesday, 5 December
Latest time for lodging forms of proxy for the New EGM	4:00 p.m. on Wednesday, 5 December
Closure of the register of members of the Company for determination of entitlements to attend and vote at the New EGM	Thursday, 6 December to Friday, 7 December (both days inclusive)
New EGM	4:00 p.m. on Friday, 7 December
Announcement of the results of the New EGM	Friday, 7 December
Latest day for dealing in the Shares cum-entitlement to the Completion Distribution and the Additional Cash Distribution	Monday, 10 December
First day of dealing in the Shares ex-entitlement to the Completion Distribution and the Additional Cash Distribution	Tuesday, 11 December
Latest time for lodging transfers of Shares in order to be entitled to the Completion Distribution and the Additional Cash Distribution	4:00 p.m. on Wednesday, 12 December
Closure of the register of members of the Company for determination of entitlements to the Completion Distribution and the Additional Cash Distribution	Thursday, 13 December
Record date for the Completion Distribution and the Additional Cash Distribution	Thursday, 13 December
Completion and despatch of share certificates of HLD Shares pursuant to the Completion Distribution to the Shareholders (other than the Overseas Shareholders) and cheques for cash payments and payments through CCASS of the Additional Cash Distribution and the Dividend Amount to the Shareholders	Monday, 17 December

UPDATED EXPECTED TIMETABLE

2008

Despatch of cheques for cash entitlements to the Overseas Shareholders pursuant to the Completion Distribution on or before	Monday, 14 January
Court hearing of petition for confirmation of the Share Premium Reduction*	Tuesday, 5 February
Latest day for dealing in the Shares cum-entitlement to the Further Distribution	Wednesday, 6 February
First day of dealing in the Shares ex-entitlement to the Further Distribution	Monday, 11 February
Latest time for lodging transfers of Shares in order to be entitled to the Further Distribution	4:00 p.m. on Tuesday, 12 February
Closure of the register of members of the Company for determination of entitlements to the Further Distribution	Wednesday, 13 February to Friday, 15 February (both days inclusive)
Record date for the Further Distribution	Friday, 15 February
Despatch of cheques for cash payments and payments through CCASS to the Shareholders pursuant to the Further Distribution (<i>Note</i>)	Thursday, 21 February

* **Shareholders should note that if the Share Premium Reduction is approved at the New EGM, the dates of the events subsequent to the Completion, Completion Distribution and Additional Cash Distribution in the above expected timetable, which mainly depend on the availability of the dates of the Court to hear the proceedings relating to the Share Premium Reduction, are indicative only and are subject to change. The Court may fix another date for the hearing of the petition for confirmation of the Share Premium Reduction by the Court. The dates of closure of the register of members of the Company, the record date for the Further Distribution and the other relevant dates as stated in the expected timetable above may also change if the Court hearing date is changed.** In case of any such changes, further announcement(s) in relation to the closure of the register of members of the Company for the purpose of determination of entitlements to the Further Distribution and the record date therefor will be made by the Company.

Note: If the Share Premium Reduction is confirmed by the Court, it will become effective upon satisfaction of all conditions imposed by the Court and registration by the Registrar of Companies in Hong Kong of an office copy of the Court order together with such other documents as may be required under section 61 of the Companies Ordinance. The Further Distribution of HK\$1.21 per Share will then be made. If the Court refuses to confirm the Share Premium Reduction, the Further Distribution will not be made.

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 HLD to the Company under the Amended Agreement
“Additional Cash Distribution”	means the proposed distribution by the Company to the Shareholders, upon Completion, of HK\$1.03 in cash per Share, being approximately HK\$3,139 million in total (based on the 3,047,327,395 Shares in issue as at the date of the Supplemental Agreement)
“Amended Agreement”	means the Agreement as amended by the Supplemental Agreement
“Circular”	means the circular dated 20 October 2007 issued by the Company to its shareholders
“Company”	means Henderson Investment Limited, which shares are listed on the Stock Exchange
“HIL 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
“HLD Average Closing Price”	means the average closing price of the HLD Shares as stated in the Stock Exchange’s daily quotation sheets for the 10 trading days immediately preceding 2 October 2007
“New EGM”	means the extraordinary general meeting of the Company convened to be held at 4:00 p.m. on Friday, 7 December 2007 (or any adjournment thereof) for the purposes of approving, among other matters (if any), the Amended Agreement, the Proposed Distributions, the Additional Cash Distribution and the Share Premium Reduction
“Supplemental Agreement”	means the supplemental agreement dated 7 November 2007 entered into between HLD and the Company relating to the Additional Cash Consideration

LETTER FROM THE BOARD



恒基兆業發展有限公司
HENDERSON INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code:97)

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*)
Lee Tat Man
Suen Kwok Lam
Lee King Yue
Eddie Lau Yum Chuen
Li Ning
Patrick Kwok Ping Ho
Augustine Wong Ho Ming
Sit Pak Wing

Registered Office:

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

Non-executive Directors:

Woo Po Shing
Philip Yuen Pak Yiu
Leung Hay 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**

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

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

**INCREASE OF CASH CONSIDERATION AND
ADDITIONAL CASH DISTRIBUTION OF HK\$1.03 PER SHARE**

LETTER FROM THE BOARD

1. INTRODUCTION

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

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

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 Company proposed to distribute the Additional Cash Consideration to the Shareholders by way of a distribution in cash. Accordingly, in addition to the Proposed Distributions of (a) a distribution of the entitlement to 0.209 HLD Share to be allotted under the Share Entitlement Note for each Share upon Completion and (b) the Further Distribution of HK\$1.21 per Share if the Share Premium Reduction becomes unconditional, the Board proposed to recommend for approval by the Independent Shareholders, upon Completion, the Additional Cash Distribution of HK\$1.03 in cash per Share, being approximately HK\$3,139 million in total (based on the 3,047,327,395 Shares in issue as at the date of the Supplemental Agreement). Out of the Additional Cash Distribution of approximately HK\$3,139 million, HLD or its subsidiaries will be entitled to up to approximately HK\$2,133 million (based on their holding of 2,070,473,859 Shares as at the date of the Supplemental Agreement).

At the EGM held on 12 November 2007, an ordinary resolution for the adjournment of the EGM indefinitely was passed. The New EGM has been convened to be held on Friday, 7 December 2007 at 4:00 p.m..

The purpose of this supplementary circular is to provide you with information relating to, amongst others, the Additional Cash Distribution, an updated expected timetable, the supplemental letter of advice from CIMB-GK to the Independent Shareholders, the updated unaudited pro forma financial information on the Remaining Group and to give you notice of New EGM.

2. INCREASE OF CASH CONSIDERATION UNDER THE AGREEMENT

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

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

LETTER FROM THE BOARD

Taking into account the Additional Cash Consideration of approximately HK\$3,121 million payable by HLD under the Supplemental Agreement and the original cash consideration of approximately HK\$3,707 million payable by HLD under the Agreement, the aggregate cash consideration payable by HLD 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.

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

Save as aforesaid, all the other terms and conditions of the Transaction remain unchanged. The Transaction (as amended) remains a very substantial disposal and connected transaction of the Company.

3. ADDITIONAL CASH DISTRIBUTION

The Company proposed to distribute the Additional Cash Consideration to the Shareholders by way of a distribution in cash. Out of the Additional Cash Distribution of approximately HK\$3,139 million, HLD or its subsidiaries will be entitled to up to approximately HK\$2,133 million (based on their holding of 2,070,473,859 Shares as at the date of the Supplemental Agreement).

Accordingly, taking into account the Additional Cash Consideration, the Board proposed to recommend for approval by the Shareholders:

- (a) upon Completion,
 - (1) a dividend of a total amount which is equal to the sum of (i) the closing price of the HLD Shares as stated in the Stock Exchange's daily quotation sheets as at the date of Completion multiplied by 636,891,425 and (ii) the aggregate Dividend Amount (if any), which is to be satisfied not by payment of cash but by a distribution in specie of the entitlement to 0.209 HLD Share to be allotted under the Share Entitlement Note (together with all rights under the Share Entitlement Note attributable to such entitlement) for each Share; and
 - (2) the Additional Cash Distribution of approximately HK\$3,139 million, being HK\$1.03 per Share; and
- (b) if the Share Premium Reduction becomes unconditional, the Further Distribution of approximately HK\$3,687 million in cash, being HK\$1.21 per Share.

Based on the 3,047,327,395 Shares in issue as at the date of the Supplemental Agreement and taking into account the amount of the Further Distribution of HK\$1.21 per Share or approximately HK\$3,687 million in total (which is subject to the Share Premium Reduction becoming unconditional)

LETTER FROM THE BOARD

and the amount of the Additional Cash Distribution of HK\$1.03 per Share or approximately HK\$3,139 million in total, the aggregate cash distribution proposed by the Company amounts to HK\$2.24 per Share or approximately HK\$6,826 million. Out of the abovementioned aggregate cash distribution, HLD or its subsidiaries will be entitled to up to approximately HK\$4,638 million (based on their holding of 2,070,473,859 Shares as at the date of the Supplemental Agreement).

For the purpose of reference only, based on the existing 3,047,327,395 Shares in issue as at the date of the Supplemental Agreement, the Proposed Distributions, the Additional Cash Distribution and the net asset value of the Group (excluding the HKCG Interests) attributable to the Shareholders where there will or will not be the Share Premium Reduction respectively are as follows:

	Proposed distribution(s) of			
	either (a) Without Share Premium Reduction		or (b) With Share Premium Reduction	
	209 HLD Shares, plus HK\$1,030 per 1,000 Shares		209 HLD Shares, plus HK\$2,240 per 1,000 Shares	
	<i>HK\$ (million)</i>	<i>HK\$ Per 1,000 Shares</i>	<i>HK\$ (million)</i>	<i>HK\$ Per 1,000 Shares</i>
	Total		Total	
<i>Distributions:</i>				
HLD Shares (<i>Note 1</i>)	39,153	12,848	39,153	12,848
Cash	3,139	1,030	6,826	2,240
<i>Value of the Remaining Group:</i>				
The net asset value of the Group (excluding the HKCG Interests) attributable to the Shareholders (<i>Note 2</i>)	<u>5,667</u>	<u>1,860</u>	<u>1,980</u>	<u>650</u>
Total	<u>47,959</u>	<u>15,738</u>	<u>47,959</u>	<u>15,738</u>
Total per Share (X)		15.74		15.74
HIL Average Closing Price (Y)		12.94		12.94
Premium ((X-Y)/Y)		21.6%		21.6%

Notes:

(1) *Based on the HLD Average Closing Price of HK\$61.475.*

(2) *Based on the consolidated balance sheet of the Company as at 30 June 2007 after taking into account the acquisition of 31,159,000 HKCG Shares and the remaining interest of 35.9% in CIG subsequent to 30 June 2007 but without taking into account the final dividend for the year ended 30 June 2007 which is yet to be approved and paid.*

LETTER FROM THE BOARD

Taking into account the Additional Cash Distribution, the value per Share set out above increased from HK\$14.71 (as shown in the letter from the Board of the Circular) to HK\$15.74 and the premium to the HIL Average Closing Price increased from 13.7% (as shown in the letter from the Board of the Circular) to 21.6%.

4. SHARE PREMIUM REDUCTION

After taking into account the Additional Cash Distribution, the proposed amount of reduction of the share premium account of the Company under the Share Premium Reduction, which remains to be HK\$4,215,728,461.60, is still larger than that required to implement the Further Distribution, so that additional distributable reserves to the extent of approximately HK\$561 million (instead of HK\$579 million without the Additional Cash Distribution) will be available to enable distribution of cash held by the Group surplus to the requirement of the Group for its business from time to time.

5. CASH ENTITLEMENT UNDER THE SHARE ENTITLEMENT NOTE

As stated in the Circular, any HLD Shares to be issued pursuant to the Share Entitlement Note will be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of issue. If those HLD Shares do not rank for any dividend payable based on any record date which is on or after 2 October 2007 due to such HLD Shares being issued after such record date, the holder of such HLD Shares will be entitled to be paid by HLD an amount which is equal to such dividend.

In relation to the final dividend of HK\$0.70 per HLD Share for the year ended 30 June 2007 proposed to be approved at the annual general meeting of HLD convened to be held on 3 December 2007, the record date is 3 December 2007. Based on the updated expected timetable, any HLD Shares which may be issued pursuant to the Share Entitlement Note will only be issued after 3 December 2007. Accordingly, in the event that the final dividend for the year ended 30 June 2007 is approved at the annual general meeting of HLD, such HLD Shares will not rank for such final dividend. Therefore, the holders of such HLD Shares will be entitled to be paid by HLD an amount which is equal to such dividend.

6. REMAINING GROUP

Based on the audited consolidated balance sheet of the Company as at 30 June 2007 after taking into account the acquisition of 31,159,000 HKCG Shares, the acquisition of the remaining interest of 35.9% in CIG subsequent to 30 June 2007 and assuming the proposed final dividend for the year ended 30 June 2007 had been paid, the total assets and net assets attributable to the Shareholders of the

LETTER FROM THE BOARD

Remaining Group where there will or will not be the Share Premium Reduction respectively are as follows:

	After Completion Distribution and Additional Cash Distribution (Without Share Premium Reduction) HK\$ (million)	After Proposed Distributions and Additional Cash Distribution (With Share Premium Reduction) HK\$ (million)
Total assets (<i>Note</i>)	7,909	4,222
Including cash of (<i>Note</i>)	6,174	2,487
 Net assets attributable to the Shareholders	 5,210	 1,523

Note: Including cash of approximately HK\$1,600 million arising from a loan to the Company by a fellow subsidiary which was repaid subsequent to 30 June 2007

7. FINANCIAL EFFECTS OF THE TRANSACTION (AS AMENDED) ON THE GROUP

The updated unaudited pro forma financial information of the Remaining Group, which illustrates the financial effects of the Transaction (as amended), the Proposed Distributions and the Additional Cash Distribution on the Group's earnings, assets, liabilities and cashflows, is set out in the section headed "Updated Unaudited Pro Forma Financial Information on the Remaining Group" on pages 19 to 27 of this supplementary circular.

It is estimated that, upon Completion, the Group would recognise a gain on disposal of approximately HK\$30,993 million, representing the difference between the value of the consideration (comprising the Share Entitlement Note and cash (including the Additional Cash Consideration)) based on the HLD Average Closing Price and the current carrying amount of the interest in HKCG. Such gain on disposal will be subject to changes as the HLD's share price moves and will be determined based on HLD's share price on the date of Completion and taking into account the change in the share of net assets of HKCG for the period from 1 July 2007 to the date of Completion as required by applicable accounting standards.

Based on the Group's audited consolidated profit and loss account for the year ended 30 June 2007 as set out in Appendix I to the Circular, the profit attributable to the Shareholders was approximately HK\$5,391 million. Excluding the profit attributable to the Shareholders in relation to the discontinued operations of approximately HK\$1,765 million, the profit attributable to the Shareholders in relation to the continuing operations (including the Group's share of profit from the HKCG Interests) amounted to approximately HK\$3,626 million. Assuming the Completion and based on the unaudited pro forma consolidated profit and loss account of the Remaining Group as set out

LETTER FROM THE BOARD

in the section headed “Updated Unaudited Pro Forma Financial Information on the Remaining Group” on pages 19 to 27 of this supplementary circular, the profit attributable to the Shareholders from continuing operations, excluding the gain on disposal of the Sale Companies in relation to the Transaction (as amended), was approximately HK\$222 million.

As at 30 June 2007, based on the Group’s audited consolidated balance sheet as set out in Appendix I to the Circular, the Group’s total assets and total liabilities in relation to its continuing operations (including the HKCG Interests) amounted to approximately HK\$19,863 million and HK\$2,337 million, respectively. Assuming the Completion and based on the unaudited pro forma consolidated balance sheet of the Remaining Group as set out in the section headed “Updated Unaudited Pro Forma Financial Information on the Remaining Group” on pages 19 to 27 of this supplementary circular, the unaudited pro forma consolidated total assets of the Remaining Group were approximately (i) HK\$8,564 million after the Completion Distribution and the Additional Cash Distribution but before the Further Distribution; and (ii) HK\$4,877 million after the Proposed Distributions and the Additional Cash Distribution. The unaudited pro forma consolidated total liabilities of the Remaining Group were approximately HK\$2,337 million, both before and after the Proposed Distributions and the Additional Cash Distribution.

8. LISTING RULES IMPLICATIONS

The Transaction (as amended) remains a very substantial disposal and connected transaction of the Company. A single resolution will be proposed at the New EGM to approve the Amended Agreement and the transactions contemplated thereunder, the Proposed Distributions and the Additional Cash Distribution. As HLD and Dr. Lee Shau Kee are considered to have material interest which is different from other Shareholders so far as such matters are concerned, HLD, Dr. Lee Shau Kee and their respective associates and Fu Sang will be required to abstain from voting at the New EGM on such resolution. As far as the Company is aware, as at the Latest Practicable Date, such persons in aggregate held a total of 2,122,559,709 Shares, representing approximately 69.65% of the issued share capital of the Company as at the Latest Practicable Date. So far as the Company is aware, no other Shareholder will be required by the Listing Rules to abstain from voting at the New EGM on such resolution due to its having a material interest different from the other Shareholders.

9. DESPATCH OF HLD SHARE CERTIFICATES PURSUANT TO THE COMPLETION DISTRIBUTION AND CHEQUES FOR CASH PAYMENTS AND PAYMENTS THROUGH CCASS OF THE ADDITIONAL CASH DISTRIBUTION AND THE DIVIDEND AMOUNT

Subject to Completion having occurred, the share certificates for the HLD Shares representing the Completion Distribution and cheques for cash payments representing the Additional Cash Distribution and the Dividend Amount (if any) are currently expected to be despatched to the Shareholders (other than Overseas Shareholders in the case of the share certificates for the HLD Shares) and payments through CCASS of the Additional Cash Distribution and the Dividend Amount (if any) to the Shareholders will be made on or before Monday, 17 December 2007.

LETTER FROM THE BOARD

In the absence of any specific instructions to the contrary received in writing by the share registrar of the Company before the register of members of the Company is closed for determination of entitlements to the Completion Distribution and the Additional Cash Distribution, the share certificates for the HLD Shares representing the Completion Distribution and the cheques for cash payments representing the Additional Cash Distribution will be sent by ordinary mail to the Shareholders whose names appear on the register of members of the Company at the record date for the Completion Distribution and the Additional Cash Distribution at their respective addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first on the register of members of the Company in respect of the joint holding. All such share certificates and cheques will be sent at the risk of the persons entitled thereto and neither the Company nor HLD will be liable for any loss or delay in transmission.

10. THE NEW EGM

Set out on pages 32 to 35 of this supplementary circular is a notice convening the New EGM to be held at Cuisine Cuisine, 3101, Podium Level 3, ifc mall, Central, Hong Kong on Friday, 7 December 2007 at 4:00 p.m. at which (i) an ordinary resolution will be proposed and, if thought fit, passed to approve the Amended Agreement and the transactions contemplated thereunder, the Proposed Distributions and the Additional Cash Distribution; and (ii) a special resolution will be proposed and, if thought fit, passed to approve the Share Premium Reduction.

HLD, Dr. Lee Shau Kee and their respective associates and Fu Sang are required to abstain from voting on the resolution approving the Amended Agreement and the transactions contemplated thereunder, the Proposed Distributions and the Additional Cash Distribution which will be taken by poll. All Shareholders will be entitled to vote on the resolution approving the Share Premium Reduction at the New EGM. Details of the procedures for demanding a poll are set out in the section headed "Procedures for demanding a poll" in the letter from the Board contained in the Circular.

Elliott Capital Advisors, L.P., which was interested in 297,487,122 Shares as at 7 November 2007 (representing approximately 9.76% of the issued share capital of the Company), has given an irrevocable undertaking to the Company to vote its entire holding of 297,487,122 Shares in favour of the resolutions proposed at the general meeting convened or to be convened to approve the Agreement (as amended by the Supplemental Agreement), the Proposed Distributions, the Additional Cash Distribution and the Share Premium Reduction.

A form of proxy for use by the Shareholders at the New EGM is enclosed. Shareholders are advised to read the notice and to complete the accompanying form of proxy for use at the New EGM in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event, not less than 48 hours before the time appointed for holding the New EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the New EGM if they so wish.

LETTER FROM THE BOARD

11. NEW PROXY FORM

The form of proxy enclosed with the Circular for the EGM held on 12 November 2007 (including any such form lodged with the share registrar of the Company) is no longer valid. If you wish to vote by proxy at the New EGM to be held on 7 December 2007, please complete and return the form of proxy enclosed in this supplementary circular to the share registrar of the Company not less than 48 hours before such meeting.

12. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

For the purpose of determination of entitlements to attend and vote at the New EGM, the register of members of the Company will be closed from Thursday, 6 December 2007 to Friday, 7 December 2007, both days inclusive. In order to qualify for attending and voting at the New EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Wednesday, 5 December 2007.

In the event that the Amended Agreement and the transactions contemplated thereunder, the Proposed Distributions and the Additional Cash Distribution are approved at the New EGM, in order to establish entitlements to the Completion Distribution and the Additional Cash Distribution, the register of members of the Company will be closed on Thursday, 13 December 2007, or such other date(s) as may be notified to the Shareholders by way of an announcement. In order to qualify for the Completion Distribution and the Additional Cash Distribution, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Wednesday, 12 December 2007. The record date for the Completion Distribution and the Additional Cash Distribution will be on Thursday, 13 December 2007.

13. RECOMMENDATION

The Board considers that the Transaction (as amended) is in the interests of the Company and that the terms of the Transaction (as amended) are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly, the Board recommends that (a) the Independent Shareholders should vote in favour of the ordinary resolution which will be proposed at the New EGM to approve the Amended Agreement and the transactions contemplated thereunder, the Proposed Distributions and the Additional Cash Distribution and (b) the Shareholders should vote in favour of the special resolution which will be proposed at the New EGM to approve the Share Premium Reduction.

LETTER FROM THE BOARD

14. ADDITIONAL INFORMATION

Your attention is drawn to the supplemental letter of advice from CIMB-GK to the Independent Shareholders in respect of the terms of the Transaction (as amended).

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 and Managing Director

SUPPLEMENTAL LETTER FROM CIMB-GK

The following is the full text of the letter of advice from CIMB-GK Securities (HK) Limited, the independent financial adviser to the Independent Shareholders prepared for the purpose of incorporation into this supplementary circular.



CIMB-GK Securities (HK) Limited

25/F Central Tower
28 Queen's Road Central
Hong Kong

14 November 2007

To the Independent Shareholders of Henderson Investment Limited

Dear Sirs,

**VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
AND
INCREASE OF CASH CONSIDERATION AND ADDITIONAL CASH DISTRIBUTION**

INTRODUCTION

This supplementary letter should be read in conjunction with our letter of advice dated 20 October 2007 (the "Previous Letter") issued in relation to the Transaction as contained in the circular (the "Circular") to the Shareholders dated 20 October 2007.

Given that the terms of the Transaction have been amended by the Supplemental Agreement, details of which are contained in this circular (the "Supplementary Circular") to the Shareholders dated 14 November 2007, of which this letter forms part, we set out below our supplemental views on the Transaction (as amended). Expressions used in this letter have the same meanings as defined in the Circular and the Supplementary Circular unless the context otherwise requires.

BASIS OF ADVICE

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular and the Supplementary Circular as well as the representations made or provided by the Directors and senior management of the Company. The Directors have declared in a responsibility statement set out in Appendix IV to the Circular and in the section headed "Updated General Information" of the Supplementary Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and the Supplementary Circular. We have also assumed that the information and the Directors' representations contained or referred to in the Circular and the Supplementary Circular were true and accurate at the time they were made and continue to be so at the date of the despatch of the Circular and the Supplementary Circular. We have no reason to doubt the truthfulness, accuracy and completeness of the information and

SUPPLEMENTAL LETTER FROM CIMB-GK

representations provided to us by the Company. We have also been advised by the Directors that having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular or the Supplementary Circular misleading.

We consider that we have reviewed sufficient information and documents and have taken reasonable steps as required under Rule 13.80, including the notes thereto of the Listing Rules to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular or Supplementary Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company or any of its subsidiaries or associates.

BACKGROUND

Additional Cash Consideration

On 7 November 2007 (the “Supplemental Announcement Date”), the Company and HLD jointly announced (the “Supplemental Announcement”) that at the request of the Company made in response to views expressed by some Shareholders, the Company and HLD entered into the Supplemental Agreement on the same date whereby HLD has agreed, as an additional incentive to the Independent Shareholders to vote in favour of the Transaction (as amended), to increase the cash consideration payable under the Agreement by way of the Additional Cash Consideration of approximately HK\$3,121 million. Together with the original cash consideration of approximately HK\$3,707 million payable by HLD under the Agreement, the aggregate cash consideration payable by HLD under the Transaction (as amended) amounts to approximately HK\$6,828 million. Based on public information available from the website of the Stock Exchange, save for the Supplemental Agreement, we also are not aware of any substantial changes to the business operations of HKCG since the Last Trading Day to the Supplemental Announcement Date.

Additional Cash Distribution

The Company proposed to distribute the Additional Cash Consideration to the Shareholders by way of a distribution in cash. Accordingly, in addition to the Proposed Distributions of (i) a distribution of the entitlement to 0.209 HLD Share to be allotted under the Share Entitlement Note for each HIL Share upon Completion; and (ii) the Further Distribution of HK\$1.21 per HIL Share if the Share Premium Reduction becomes unconditional, the Board proposed to recommend for approval by the Independent Shareholders, upon Completion, the Additional Cash Distribution 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 Supplemental Announcement Date).

SUPPLEMENTAL LETTER FROM CIMB-GK

Based on the 3,047,327,395 HIL Shares in issue as at the Supplemental Announcement Date, and taking into account the amount of the Further Distribution of HK\$1.21 per HIL Share or approximately HK\$3,687 million in total (which is subject to the Share Premium Reduction becoming unconditional) and the amount of the Additional Cash Distribution of HK\$1.03 per HIL Share or approximately HK\$3,139 million in total, the aggregate cash distribution proposed by the Company amounts to HK\$2.24 per HIL Share or approximately HK\$6,826 million.

PRINCIPAL FACTORS AND REASONS CONSIDERED

As stated in the Previous Letter, we have taken into consideration a number of principal factors and reasons in arriving at our opinion of and recommendation made for the Transaction contained in the Previous Letter. In ascertaining whether or not the Additional Cash Consideration and the Additional Cash Distribution would affect our opinion held for the Transaction (as amended), we have updated our review and assessment of the relevant principal factors previously considered as stated in the Previous Letter in light of the Additional Cash Consideration and the Additional Cash Distribution as follows:

1. Estimated theoretical enhancement in value

As stated in the Previous Letter, the objective of the Transaction is to unlock the value of the HKCG Interests by way of the Proposed Distributions. The estimated theoretical enhancement in value per HIL Share under the Transaction was approximately 13.7% as disclosed in the Previous Letter. With the Additional Cash Consideration, the Board also proposed to recommend for approval by the Shareholders, the Additional Cash Distribution upon Completion. As noted from the estimated theoretical enhancement value table set out in the Letter from the Board of the Supplementary Circular, the Additional Cash Distribution will enhance the total value per HIL Share implied under the Transaction (as amended) to HK\$15.74 as compared to HK\$14.71 under the Transaction, while the estimated enhancement in theoretical value per HIL Share implied under the Transaction (as amended) will also increase to 21.6% as compared to 13.7% under the Transaction. This shows that the Additional Cash Consideration further increases the estimated enhancement in value in the HIL Shares which is in the interests of the Company and the Shareholders as a whole.

SUPPLEMENTAL LETTER FROM CIMB-GK

2. The Revised Consideration

Based on the Additional Cash Consideration of approximately HK\$3,121 million, the Consideration has been revised to approximately HK\$45,981 million (the “Revised Consideration”) and the comparison between the Consideration and the Revised Consideration in various aspects is as follows:

	Value of the HLD Shares to be allotted (HK\$ million)	Cash consideration (HK\$ million)	Total consideration (HK\$ million)	Implied value per HKCG Share held by the Company	PER (times) <i>(note 1)</i>	PBR (times) <i>(note 2)</i>
The Consideration	39,153 (based on 636,891,425 HLD Shares for value at the HLD Average Closing Price)	3,707	42,860	HK\$18.108 (being the HKCG Average Closing Price)	18.72	4.36
The Revised Consideration	39,153 (based on 636,891,425 HLD Shares for value at the HLD Average Closing Price)	6,828	45,981	HK\$19.426	20.08	4.68
Approximate % of increase:		84.2%	7.28%	7.28%		

Notes:

1. Based on the 39.06% attributable interest in the audited consolidated net profit attributable to the shareholders of HKCG for the year ended 31 December 2006 of approximately HK\$5,862.6 million.
2. Based on the 39.06% attributable interests in the unaudited consolidated NAV of the HKCG Group attributable to the shareholders as at 30 June 2007 of approximately HK\$25,172.6 million.

As noted above, the Additional Cash Consideration has increased the implied value per HKCG Share by approximately 7.28% as compared to the HKCG Average Closing Price as determined under the Transaction. Accordingly, with the increase in the implied value per HKCG Share, the implied PER and PBR of the HKCG Interests under the Revised Consideration has also increased to approximately 20.08 times and 4.68 times, respectively. We noted that the Additional Cash Consideration was made in response to views expressed by some Shareholders and is unrelated to changes in the market conditions of HKCG. Based on public information available from the website of the Stock Exchange, save for the Supplemental Agreement, we also are not aware of any substantial changes to the business operations of HKCG. On this basis, our views relating to the fairness of the HKCG Average Closing Price and the valuation of the HKCG Interests in comparison with the Utility Comparables and the Gas

SUPPLEMENTAL LETTER FROM CIMB-GK

Comparables as disclosed in the Previous Letter will remain unchanged in light of the increase in the implied value per HKCG Share, and the implied PER and PBR of the HKCG Interests as a result of the Additional Cash Consideration.

Comparable transaction analysis

Apart from those comparable transactions set out in the Previous Letter, based on the public information available from the websites of the Stock Exchange, we noted that one of the Gas Comparables, China Gas has recently acquired a minority interests in a non-wholly subsidiary, whose principal business is engaged in gas distribution, at a historical PBR of approximately 2.01 times (PER was not applicable as that subsidiary made losses). The PBR of the HKCG Interests as implied under the Revised Consideration is higher than those implied in the recent comparable transaction effected by China Gas.

Relative share price performances

We noted that since the Last Trading Day up to the Supplemental Announcement Date, the historical share price performances of the Company, HKCG and HLD continued to be fairly aligned with each other and with the Hang Seng Index. Based on public information available, no substantial corporate development (save for the Supplemental Agreement) was noted to have affected the fundamentals of the Company, HKCG and HLD during this period. As explained in the Previous Letter, the estimated theoretical enhancement in value per HIL Share under the Transaction and the Proposed Distributions will vary in accordance with the share price performances of the Company, HKCG and HLD, which are affected by the market conditions, perceptions and speculative activities towards the share prices of the Company, HKCG and HLD. Hence, we maintain our views as stated in the Previous Letter to not place emphasis on the short term relative share price performances of the Company, HKCG, and HLD since short term share price performances can be affected by a number of uncontrollable factors and market conditions.

Views

Having taken into account the above, in particular:

- the Additional Cash Consideration further increases the estimated theoretical enhancement in the implied value per HIL Share under the Transaction (as amended) as compared to that noted under the Transaction;
- the Additional Cash Consideration increases the implied value per HKCG Share as well as the implied PER and PBR of the HKCG Interests under the Revised Consideration; and
- the Additional Cash Consideration was made in response to views expressed by some Shareholders, and is unrelated to changes in the market conditions prevailing to HKCG,

we consider the Revised Consideration, after taking account of the Additional Cash Consideration, to be fair and reasonable so far as the Company and the Independent Shareholders are concerned.

SUPPLEMENTAL LETTER FROM CIMB-GK

3. Remaining Group

As the Additional Cash Distribution principally represents the Additional Cash Consideration, the net assets attributable to the Shareholders of the Remaining Group after the Proposed Distributions and Additional Cash Distribution as disclosed in the Letter from the Board of the Supplementary Circular closely approximate with those disclosed in the Circular.

4. Possible financial effects

Assets and liabilities

As the Additional Cash Distribution principally represents the Additional Cash Consideration, the unaudited pro forma consolidated assets and liabilities of the Remaining Group as disclosed in the Supplementary Circular closely approximate with those disclosed in the Circular.

Earnings

The Board estimated that, upon Completion, the Group would recognise a gain on disposal of approximately HK\$30,993 million, representing the difference between the value of consideration (comprising the Share Entitlement Note and cash (including the Additional Cash Consideration)) based on the HLD Average Closing Price and the current carrying amount of the HKCG Interests. Such gain on disposal will be subject to changes depending on the share price movement of the HLD Shares and will be determined based on HLD's share price on the date of Completion and taking into account the change in the share of net assets of HKCG for the period from 1 July 2007 to the date of Completion as required by applicable accounting standards.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we consider that the Transaction (as amended) continued to be in the interests of the Company and the Shareholders as a whole and the Revised Consideration is also fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the New EGM to approve the Amended Agreement.

Yours faithfully,

For and on behalf of

CIMB-GK Securities (HK) Limited

Alex Lau

Executive Vice President

Flavia Hung

Senior Vice President

UPDATED ADDITIONAL FINANCIAL INFORMATION ON THE GROUP

UPDATED MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Financial Resources, Liquidity and Capital Structure

Based on the unaudited pro forma consolidated balance sheet as set out in the section headed “Updated Unaudited Pro Forma Financial Information on the Remaining Group” on pages 19 to 27 of this supplementary circular, upon Completion and assuming the Share Premium Reduction had become unconditional on 30 June 2007, the Remaining Group would have received cash consideration of approximately HK\$6,828 million from HLD, and the Remaining Group would also have made cash distributions in total of approximately HK\$6,826 million to the Shareholders. Taking into account the Remaining Group’s bank borrowings of approximately HK\$29 million as at 30 June 2007, the Remaining Group would be in a net cash position of approximately HK\$3,113 million as at 30 June 2007.

Alternatively, upon Completion and assuming the Share Premium Reduction had not become unconditional on 30 June 2007, the Remaining Group would have received cash consideration of approximately HK\$6,828 million from HLD but the Remaining Group would not have made any cash distribution under the Further Distribution of approximately HK\$3,687 million to the Shareholders. Taking into account the Remaining Group’s bank borrowings of approximately HK\$29 million as at 30 June 2007, the Remaining Group would be in a net cash position of approximately HK\$6,800 million as at 30 June 2007.

UPDATED UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE REMAINING GROUP

1. UPDATED UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE REMAINING GROUP

The accompanying updated unaudited pro forma financial information on the Remaining Group has been prepared in accordance with rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purposes of illustrating the effects of the Transaction (as amended), the Completion Distribution, the Additional Cash Distribution and the Further Distribution (collectively referred to as the “Disposal”) as if the completion of the Disposal had taken place on 30 June 2007 for the unaudited pro forma consolidated balance sheet and on 1 July 2006, for the unaudited pro forma consolidated profit and loss account and the unaudited pro forma consolidated cash flow statement.

The unaudited pro forma consolidated balance sheet, unaudited pro forma consolidated profit and loss account and unaudited pro forma consolidated cash flow statement of the Remaining Group are prepared based upon the Group’s audited consolidated balance sheet as at 30 June 2007, the audited consolidated profit and loss account and audited consolidated cash flow statement for the year ended 30 June 2007, respectively, which have been extracted from the accountant’s report of the Group set out in Appendix I to the Circular, after making pro forma adjustments relating to the Disposal as described below.

The updated unaudited pro forma financial information on the Remaining Group has been prepared based on a number of assumptions, estimates and uncertainties and is for illustrative purposes only. In view of the foregoing and its hypothetical nature, it does not purport to describe the actual financial position, results and cash flows of the Remaining Group that would have been attained had the Disposal been completed on 30 June 2007 and 1 July 2006 respectively. It also does not purport to predict the future financial position, results and cash flows of the Remaining Group.

The updated unaudited pro forma financial information of the Remaining Group should be read in conjunction with the historical financial information of the Group set out in the accountant’s report of the Group in Appendix I to the Circular and other financial information included elsewhere in the Circular and this supplementary circular.

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

**Unaudited pro forma consolidated balance sheet
(HK\$ million)**

	The Group's audited consolidated balance sheet at 30 June 2007	Pro forma adjustments			Unaudited pro forma consolidated balance sheet of the Remaining Group after the Transaction (as amended)	Pro forma adjustment Note (d)	Unaudited pro forma consolidated balance sheet of the Remaining Group after the Completion Distribution and the Additional Cash Distribution	Pro forma adjustment Note (e)	Unaudited pro forma consolidated balance sheet of the Remaining Group after the Further Distribution
		Note (a)	Note (b)	Note (c)					
Non-current assets									
Property, plant and equipment	596.6				596.6		596.6		596.6
Toll highway operation rights	178.9				178.9		178.9		178.9
Interests in associates	14,443.7	544.5	(14,988.2)	—	—		—		—
Other non-current assets	118.6				118.6		118.6		118.6
	<u>15,337.8</u>				<u>894.1</u>		<u>894.1</u>		<u>894.1</u>
Current assets									
Share Entitlement Note	—		39,152.9	39,152.9	(39,152.9)		—		—
Trade and other receivables	353.7			353.7			353.7		353.7
Amounts due from affiliates	68.0			68.0			68.0		68.0
Cash and cash equivalents	3,684.1	(544.5)	6,827.8	9,967.4	(3,138.7)		6,828.7	(3,687.3)	3,141.4
	4,105.8			49,542.0			7,250.4		3,563.1
Assets classified as held for sale	419.8			419.8			419.8		419.8
	<u>4,525.6</u>			<u>49,961.8</u>			<u>7,670.2</u>		<u>3,982.9</u>
Current liabilities									
Bank loans and overdrafts	22.7			22.7			22.7		22.7
Trade and other payables	186.0			186.0			186.0		186.0
Amounts due to affiliates	1,801.5			1,801.5			1,801.5		1,801.5
Current taxation	50.7			50.7			50.7		50.7
	2,060.9			2,060.9			2,060.9		2,060.9
Liabilities associated with assets classified as held for sale	255.4			255.4			255.4		255.4
	<u>2,316.3</u>			<u>2,316.3</u>			<u>2,316.3</u>		<u>2,316.3</u>

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

	The Group's audited consolidated balance sheet at 30 June 2007	Pro forma adjustments			Unaudited pro forma consolidated balance sheet of the Remaining Group after the Transaction (as amended)	Pro forma adjustment	Unaudited pro forma consolidated balance sheet of the Remaining Group after the Completion Distribution and the Additional Cash Distribution		Unaudited pro forma consolidated balance sheet of the Remaining Group after the Further Distribution
		Note (a)	Note (b)	Note (c)			Pro forma adjustment	Note (e)	
Net current assets	2,209.3				47,645.5		5,353.9		1,666.6
Total assets less current liabilities	<u>17,547.1</u>				<u>48,539.6</u>		<u>6,248.0</u>		<u>2,560.7</u>
Non-current liabilities									
Bank loans	6.2				6.2		6.2		6.2
Deferred tax liabilities	<u>14.2</u>				<u>14.2</u>		<u>14.2</u>		<u>14.2</u>
	<u>20.4</u>				<u>20.4</u>		<u>20.4</u>		<u>20.4</u>
NET ASSETS	<u><u>17,526.7</u></u>				<u><u>48,519.2</u></u>		<u><u>6,227.6</u></u>		<u><u>2,540.3</u></u>
Capital and reserves									
Share capital	609.5				609.5		609.5		609.5
Reserves	<u>16,352.1</u>	(14,988.2)	45,980.7		<u>47,344.6</u>	(42,291.6)	<u>5,053.0</u>	(3,687.3)	<u>1,365.7</u>
Total equity attributable to equity shareholders of the Company	16,961.6				47,954.1		5,662.5		1,975.2
Minority interests	<u>565.1</u>				<u>565.1</u>		<u>565.1</u>		<u>565.1</u>
TOTAL EQUITY	<u><u>17,526.7</u></u>				<u><u>48,519.2</u></u>		<u><u>6,227.6</u></u>		<u><u>2,540.3</u></u>

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

**Unaudited pro forma consolidated profit and loss account
(HK\$ million)**

	The Group's audited consolidated profit and loss account for the year ended 30 June 2007	Pro forma adjustments	Unaudited pro forma consolidated profit and loss account of the Remaining Group
		<i>Note (f)</i>	<i>Note (g)</i>
<i>Continuing operations:</i>			
Turnover	188.7		188.7
Direct costs	<u>(49.5)</u>		<u>(49.5)</u>
	139.2		139.2
Other income/other gains	224.0		224.0
Administrative expenses	(44.6)		(44.6)
Profit for the year of disposal group	<u>11.3</u>		<u>11.3</u>
Profit from operations	329.9		329.9
Finance costs	(4.1)		(4.1)
Share of profits less losses of associates	3,404.2	(3,404.2)	—
Gain on disposal of the Sale Companies	<u>—</u>	33,654.9	<u>33,654.9</u>
Profit before taxation	3,730.0		33,980.7
Income tax	<u>(36.0)</u>		<u>(36.0)</u>
Profit for the year from continuing operations	3,694.0		33,944.7
<i>Discontinued operations:</i>			
Profit for the year from discontinued operations	<u>1,775.2</u>		<u>1,775.2</u>
Profit for the year	<u>5,469.2</u>		<u>35,719.9</u>

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

	The Group's audited consolidated profit and loss account for the year ended 30 June 2007	Pro forma adjustments		Unaudited pro forma consolidated profit and loss account of the Remaining Group
		<i>Note (f)</i>	<i>Note (g)</i>	
Attributable to:				
Equity shareholders of the Company				
- Continuing operations	3,626.3	(3,404.2)	33,654.9	33,877.0
- Discontinued operations	<u>1,764.8</u>			<u>1,764.8</u>
	<u>5,391.1</u>			<u>35,641.8</u>
 Minority interests				
- Continuing operations	67.7			67.7
- Discontinued operations	<u>10.4</u>			<u>10.4</u>
	<u>78.1</u>			<u>78.1</u>
 Profit for the year	 <u>5,469.2</u>			 <u>35,719.9</u>

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

**Unaudited pro forma consolidated cash flow statement
(HK\$ million)**

	The Group's audited consolidated cash flow statement for the year ended 30 June 2007	Pro forma adjustments			Unaudited pro forma consolidated cash flow statement of the Remaining Group after the Transaction (as amended)	Pro forma adjustment Note (j)	Unaudited pro forma consolidated cash flow statement of the Remaining Group after the Completion Distribution and Cash Distribution	Pro forma adjustment Note (k)	Unaudited pro forma consolidated cash flow statement of the Remaining Group after the Further Distribution
		Note (h)	Note (a)	Note (i)					
Operating activities									
Profit before taxation									
From continuing operations	3,730.0	(3,404.2)		33,654.9	33,980.7	33,980.7		33,980.7	
From discontinued operations	1,848.6				1,848.6	1,848.6		1,848.6	
Adjustments for:									
Interest income	(221.3)				(221.3)	(221.3)		(221.3)	
Dividends from investments	(2.6)				(2.6)	(2.6)		(2.6)	
Amortisation of toll highway operation rights	10.1				10.1	10.1		10.1	
Depreciation	34.1				34.1	34.1		34.1	
Amortisation of prepaid lease payments	1.2				1.2	1.2		1.2	
Impairment loss on available-for- sale securities	13.5				13.5	13.5		13.5	
Loss on disposal/write off of property, plant and equipment	17.5				17.5	17.5		17.5	
Loss on disposal of available-for- sale securities	2.0				2.0	2.0		2.0	
Gain on disposal of subsidiaries and associates/Sale Companies	(930.0)		(33,654.9)		(34,584.9)	(34,584.9)		(34,584.9)	
Increase in fair value of investment properties	(219.5)				(219.5)	(219.5)		(219.5)	
Share of profits less losses of associates	(3,833.9)	3,404.2			(429.7)	(429.7)		(429.7)	
Finance costs	4.1				4.1	4.1		4.1	
Exchange difference	7.0				7.0	7.0		7.0	
Operating profit before changes in working capital	460.8				460.8	460.8		460.8	
Decrease in inventories	39.9				39.9	39.9		39.9	
Increase in trade and other receivables	(152.9)				(152.9)	(152.9)		(152.9)	
Increase in trade and other payables	3.2				3.2	3.2		3.2	
Cash generated from operations	351.0				351.0	351.0		351.0	
Tax paid									
- Hong Kong	(62.2)				(62.2)	(62.2)		(62.2)	
- Outside Hong Kong	(4.5)				(4.5)	(4.5)		(4.5)	
Interest paid	(4.1)				(4.1)	(4.1)		(4.1)	
Net cash generated from operating activities	280.2				280.2	280.2		280.2	

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

	The Group's audited consolidated cash flow statement for the year ended 30 June 2007	Pro forma adjustments			Unaudited pro forma consolidated cash flow statement of the Remaining Group after the Transaction (as amended)	Pro forma adjustment Note (j)	Unaudited pro forma consolidated cash flow statement of the Remaining Group after the Completion Distribution and the Additional Cash Distribution	Pro forma adjustment Note (k)	Unaudited pro forma consolidated cash flow statement of the Remaining Group after the Further Distribution
		Note (h)	Note (a)	Note (i)					
Investing activities									
Dividends received from associates and available-for-sale securities	907.8	(741.8)			166.0		166.0		166.0
Interest received	221.2				221.2		221.2		221.2
Payment for the purchase of:									
- investment properties	(92.7)				(92.7)		(92.7)		(92.7)
- property, plant and equipment	(52.2)				(52.2)		(52.2)		(52.2)
- available-for-sale securities	(72.5)				(72.5)		(72.5)		(72.5)
Payment for the acquisition of additional interests in associates	(32.7)	(544.5)			(577.2)		(577.2)		(577.2)
Proceeds from disposal of property, plant and equipment	0.4				0.4		0.4		0.4
Net proceeds from disposal of:									
- subsidiaries and associates/Sale Companies	12,106.8		6,827.8		18,934.6		18,934.6		18,934.6
- available-for-sale securities	69.8				69.8		69.8		69.8
Redemption of held-to-maturity debt securities	11.5				11.5		11.5		11.5
Release of the pledged bank deposits	20.2				20.2		20.2		20.2
Decrease in amounts due from investee companies	0.9				0.9		0.9		0.9
Increase in amounts due from associates	(6.4)				(6.4)		(6.4)		(6.4)
Decrease in amounts due from minority shareholders	37.3				37.3		37.3		37.3
Net cash generated from investing activities	<u>13,119.4</u>				<u>18,660.9</u>		<u>18,660.9</u>		<u>18,660.9</u>
Financing activities									
Dividends paid to shareholders	(16,079.5)				(16,079.5)	(3,138.7)	(19,218.2)	(3,687.3)	(22,905.5)
Dividends paid to minority shareholders	(104.5)				(104.5)		(104.5)		(104.5)
Advance from a fellow subsidiary	1,533.0				1,533.0		1,533.0		1,533.0
Advances from minority shareholders	139.4				139.4		139.4		139.4
Repayment to associates	(0.8)				(0.8)		(0.8)		(0.8)
Distribution to minority shareholders	(90.3)				(90.3)		(90.3)		(90.3)
Repayment of bank loans	(248.9)				(248.9)		(248.9)		(248.9)
Net cash used in financing activities	<u>(14,851.6)</u>				<u>(14,851.6)</u>		<u>(17,990.3)</u>		<u>(21,677.6)</u>
Net (decrease)/increase in cash and cash equivalents	(1,452.0)	(741.8)	(544.5)	6,827.8	4,089.5	(3,138.7)	950.8	(3,687.3)	(2,736.5)
Cash and cash equivalents at 1 July	5,127.0				5,127.0		5,127.0		5,127.0
Effect of foreign exchange rate changes	11.1				11.1		11.1		11.1
Cash and cash equivalents at 30 June	<u>3,686.1</u>				<u>9,227.6</u>		<u>6,088.9</u>		<u>2,401.6</u>

UPDATED UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE REMAINING GROUP

Notes to the updated unaudited pro forma financial information

- (a) The adjustment relates to the acquisition of 31,159,000 HKCG Shares subsequent to 30 June 2007 and up to the date of the Supplemental Agreement with an aggregate cost of HK\$544.5 million, assuming that this acquisition had taken place on 30 June 2007.
- (b) The adjustment relates to the exclusion of the assets and liabilities attributable to the Sale Companies as at 30 June 2007 after taking into account the acquisition stated in note (a) above, assuming that the completion of the Disposal had taken place on 30 June 2007.
- (c) The adjustment relates to the consideration received from the Disposal, assuming that the completion of the Disposal had taken place on 30 June 2007. The consideration comprises:
 - (i) the Share Entitlement Note which shall confer on the holder the right to call for the issue by HLD of 636,891,425 HLD Shares credited as fully paid. Based on the HLD Average Closing Price of HK\$61.475, the value of such 636,891,425 HLD Shares is approximately HK\$39,152.9 million; and
 - (ii) HK\$6,827.8 million in cash, being the aggregate of the original cash consideration of HK\$3,707.5 million and the Additional Cash Consideration of HK\$3,120.3 million.
- (d) The adjustment relates to the following, assuming that the completion of the Disposal had taken place on 30 June 2007:
 - (i) the Completion Distribution, being for each HIL Share a distribution of the entitlement to 0.209 HLD Share under the Share Entitlement Note. Based on the 3,047,327,395 HIL Shares in issue as at the date of the Supplemental Agreement and the HLD Average Closing Price of HK\$61.475, the Completion Distribution amounted to HK\$39,152.9 million; and
 - (ii) the Additional Cash Distribution, being a distribution of HK\$1.03 in cash per HIL Share (or approximately HK\$3,138.7 million in total based on the 3,047,327,395 HIL Shares in issue as at the date of the Supplemental Agreement).
- (e) The adjustment relates to the Further Distribution, being a distribution of HK\$1.21 in cash per HIL Share (or approximately HK\$3,687.3 million in total based on the 3,047,327,395 HIL Shares in issue as at the date of the Supplemental Agreement), assuming that the completion of the Disposal had taken place and the Share Premium Reduction had become unconditional on 30 June 2007.
- (f) The adjustment relates to the exclusion of the share of profits of HKCG for the year ended 30 June 2007, assuming that the completion of the Disposal had taken place on 1 July 2006.
- (g) The adjustment reflects the estimated gain of approximately HK\$33,654.9 million resulting from the Disposal after taking into account the acquisition stated in note (a) above, assuming that the completion of the Disposal had taken place on 1 July 2006.
- (h) The adjustment relates to the exclusion of the cash flow items of the Sale Companies for the year ended 30 June 2007, assuming that the completion of the Disposal had taken place on 1 July 2006.
- (i) The adjustment reflects the cash inflow amounting to approximately HK\$6,827.8 million (being the cash consideration stated in note (c)(ii) above) and the estimated gain of HK\$33,654.9 million resulting from the Disposal after taking into account the acquisition stated in note (a) above, assuming that the completion of the Disposal had taken place on 1 July 2006.
- (j) The adjustment reflects the cash outflow resulting from the Additional Cash Distribution (see note (d)(ii) above), assuming that the completion of the Disposal had taken place on 1 July 2006. The Completion Distribution (see note (d)(i) above) would have no effect on the cash flows of the Remaining Group.

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

- (k) The adjustment reflects the cash outflow resulting from the Further Distribution (see note (e) above), assuming that the completion of the Disposal had taken place and the Share Premium Reduction had become unconditional on 1 July 2006.

- (l) The final amount of the consideration, the share of net assets of HKCG and the gain on the disposal will be different from those amounts as presented above. The final amount of the consideration will be determined based on HLD's share price on the date of Completion. Accordingly, the gain on disposal will be subject to changes as HLD's share price will move and there will be change in the share of net assets of HKCG for the period from 1 July 2007 to the date of Completion.

- (m) Except for the transaction as stated in note (a) above and the Disposal, no adjustment has been made to reflect any trading result or other transactions of the Group or the Sale Companies entered into subsequent to 30 June 2007.

**UPDATED UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE REMAINING GROUP**

2. LETTER FROM THE REPORTING ACCOUNTANT OF THE COMPANY

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this supplementary circular.



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

**REPORT FROM REPORTING ACCOUNTANT ON UPDATED UNAUDITED PRO FORMA
FINANCIAL INFORMATION TO THE DIRECTORS OF HENDERSON INVESTMENT
LIMITED**

We report on the updated unaudited pro forma financial information set out on pages 19 to 27 under the heading of “Updated Unaudited Pro Forma Financial Information on the Remaining Group” (the “Unaudited Pro Forma Financial Information”) in the circular dated 14 November 2007 (the “Supplementary Circular”) of Henderson Investment Limited (the “Company”), in connection with the proposed disposal of 39.06% interest in The Hong Kong and China Gas Company Limited through the disposal of the entire issued share capital and shareholder’s loans of Macrostar Investment Limited and Timpani Investments Limited by the Company and the proposed distributions (the “Disposal”), details of which are included in the Company’s circular dated 20 October 2007 (the “Circular”) and the Supplementary Circular. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Disposal might have affected the relevant financial information of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 19 to 27 of the Supplementary Circular.

Respective Responsibilities of Directors of the Company and Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

UPDATED UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE REMAINING GROUP

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the audited consolidated balance sheet as at 30 June 2007, consolidated profit and loss account and consolidated cash flow statement of the Group for the year ended 30 June 2007 with the accountant’s report as set out in Appendix I to the Circular, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to rule 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 June 2007 or any future date, or
- the results or cash flows of the Group for the year ended 30 June 2007 or any future periods.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to rule 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 14 November 2007

UPDATED 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. CONSENTS

CIMB-GK and PricewaterhouseCoopers have given and have not withdrawn their respective written consents to the issue of this supplementary circular with the inclusion herein of their respective opinions, letters or reports, and the references to their names, opinions, letters or reports in form and context in which they respectively appear.

3. ADDITIONAL MATERIAL CONTRACT

In addition to the material contracts set out in the section headed “Material Contracts” in Appendix IV to the Circular, the Supplemental Agreement, not being a contract entered into in the ordinary course of business, was entered into by the Group within the two years immediately preceding the date of this supplementary circular and is or may be material.

4. GENERAL

The Directors confirmed that, 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 adverse change to the Group’s indebtedness position as stated in the indebtedness statement contained in the Circular and, save as disclosed in this supplementary circular, there was no material change to the other information contained in the Circular.

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

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Supplemental Agreement, the supplemental letter from CIMB-GK to the Independent Shareholders (the text of which is set out on pages 12 to 17 of this supplementary circular), the consent letters of CIMB-GK and PricewaterhouseCoopers referred to in the section headed “Consents” above, the updated unaudited pro forma financial information on the Remaining Group and the report from PricewaterhouseCoopers (the text of which is set out in the section headed “Updated Unaudited Pro Forma Financial Information on the Remaining Group” of this supplementary

UPDATED GENERAL INFORMATION

circular) and the Circular will be available for inspection during normal business hours on any weekday (except for public holidays) at the office of Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours, up to and including 7 December 2007. The documents set out in the section headed “Documents available for inspection” in Appendix IV to the Circular will continue to be available for inspection during such time.

NOTICE OF NEW EGM



恒基兆業發展有限公司 HENDERSON INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code:97)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Henderson Investment Limited (the “Company”) will be held at Cuisine Cuisine, 3101, Podium Level 3, ifc mall, Central, Hong Kong on Friday, 7 December 2007 at 4:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions of the Company, of which Resolution No.1 is intended to be proposed as an ordinary resolution and Resolution No.2 is intended to be proposed as a special resolution:

ORDINARY RESOLUTION

1. “THAT:

- (A) (i) the conditional agreement dated 2 October 2007 entered into between the Company and Henderson Land Development Company Limited (a copy of which has been produced to this meeting and marked “A” and signed by the chairman of the meeting (the “Chairman”) for the purpose of identification), as supplemented by a supplemental agreement dated 7 November 2007 entered into between the Company and Henderson Land Development Company Limited (a copy of which has been produced to this meeting and marked “B” and signed by the Chairman for the purpose of identification) (collectively the “Agreement”), in relation to the Transaction (as defined and described in the circular dated 20 October 2007 despatched to the shareholders of the Company (a copy of which has been produced to this meeting and marked “C” and signed by the Chairman for the purpose of identification), as supplemented by the supplementary circular dated 14 November 2007 despatched to the shareholders of the Company of which the notice convening this meeting forms part (a copy of which has been produced to this meeting and marked “D” and signed by the Chairman for the purpose of identification), collectively the “Circular”) and the transactions contemplated thereby be and are hereby approved, confirmed and ratified; and
- (ii) the taking of all steps and doing of all things and execution of all documents by the Company and its subsidiaries to implement, give effect to or complete the Agreement and the transactions contemplated thereby, and the making and giving of and agreeing to such variations, amendments, modifications, waivers or extensions of the terms of the Agreement and the transactions contemplated thereby, as the directors of the Company may consider to be necessary, desirable, appropriate or expedient, be and are hereby approved, confirmed and ratified; and

NOTICE OF NEW EGM

- (B) subject to completion of the Agreement:
- (i) upon the recommendation of the board of directors of the Company a dividend of a total amount which is equal to the sum of (A) the closing price of the share of HK\$2.00 each in the share capital of Henderson Land Development Company Limited (“HLD Share”) as stated in The Stock Exchange of Hong Kong Limited’s daily quotation sheets as at the date of completion of the Agreement multiplied by 636,891,425 and (B) the aggregate Dividend Amount (as defined below) (if any) be declared and the directors of the Company be and they are hereby authorised and directed to cause that dividend to be satisfied not by payment of cash but by a distribution in specie of the Entitlement (as defined below) per share to the holders of shares of HK\$0.20 each in the issued share capital of the Company whose names appear on the register of members of the Company on a date to be fixed and determined by the directors of the Company on the terms and conditions (including but not limited to the treatment of fractional entitlements and payment of cash in lieu in the relevant circumstances) described in the Circular. The Entitlement means the entitlement to 0.209 HLD Share to be allotted under the Share Entitlement Note (as defined in the Circular), together with all rights under the Share Entitlement Note attributable to such entitlement (including but not limited to any right to receive payment of any amount which is equal to any dividend payable by Henderson Land Development Company Limited (“HLD”) based on any record date which is on or after the date of the Agreement for which such shares of HLD to be so allotted do not rank due to their being issued (or the relevant entries to HLD’s register of members being made) after such record date (“Dividend Amount”)); and
 - (ii) a distribution of an amount of HK\$1.03 in cash per share to the holders of shares of HK\$0.20 each in the issued share capital of the Company whose names appear on the register of members of the Company on a date to be fixed and determined by the directors of the Company be and is hereby approved; and
 - (iii) conditional upon the confirmation of the reduction of the share premium account of the Company referred to in Special Resolution No. 2 set out in the notice convening this meeting at which this Resolution is proposed by the Court of First Instance of the High Court of Hong Kong (the “Court”), the satisfaction of all conditions imposed by the Court and the registration by the Registrar of Companies in Hong Kong of a copy of the Court order confirming such reduction of the share premium account together with such other documents as may be required under section 61 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), a distribution of an amount of HK\$1.21 in cash per share to the holders of shares of HK\$0.20 each in the issued share capital of the Company whose names appear on the register of members of the Company on a date to be fixed and determined by the directors of the Company be and is hereby approved.”

NOTICE OF NEW EGM

SPECIAL RESOLUTION

2. “THAT:

- (A) conditional upon the confirmation of the reduction of the share premium account of the Company referred to below by the Court of First Instance of the High Court of Hong Kong (the “Court”), the satisfaction of all conditions imposed by the Court and the registration by the Registrar of Companies in Hong Kong of a copy of the Court order confirming such reduction of the share premium account together with such other documents as may be required under section 61 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the amount standing to the credit of the share premium account of the Company be reduced by the sum of HK\$4,215,728,461.60 and the directors of the Company be and are hereby authorised to credit the same amount arising from such reduction to the distributable reserve of the Company in such manner as the directors of the Company consider appropriate; and
- (B) the directors of the Company be and are hereby authorised generally to do all acts and things, and to approve, sign and execute all documents, which in their opinion may be necessary, desirable, appropriate or expedient to implement or to give effect to the matters referred to in paragraph (A) above including, without limitation, to seek confirmation from, and authorise counsel on behalf of the Company to provide any undertaking as is necessary to, the Court.”

By order of the Board
Timon Liu Cheung Yuen
Company Secretary

Hong Kong, 14 November 2007

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

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more person(s) as his proxy(ies) to attend and to vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF NEW EGM

- (3) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the share registrar of the Company, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting.
- (4) The form of proxy enclosed with the circular dated 20 October 2007 for the extraordinary general meeting held on 12 November 2007 (including any such form lodged with the share registrar of the Company) is no longer valid. If you wish to vote by proxy at the extraordinary general meeting to be held on 7 December 2007, please complete and return the form of proxy enclosed in the supplementary circular dated 14 November 2007 to the share registrar of the Company not less than 48 hours before such meeting.

As at the date of this notice, the board of directors of the Company comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Colin Lam Ko Yin, Lee Ka Shing, Lee Tat Man, Suen Kwok Lam, Lee King Yue, Eddie Lau Yum Chuen, Li Ning, Patrick Kwok Ping Ho, Augustine Wong Ho Ming and Sit Pak Wing; (2) non-executive directors: Woo Po Shing, Philip Yuen Pak Yiu, Leung Hay Man, 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.