

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement is for information only and does not constitute an offer to sell or a solicitation of an offer to buy or an invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities or investment advice in any jurisdiction, including without limitation, the United States, Canada or Japan.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws of the United States or other jurisdiction and may not be offered or sold in the United States absent registration under the U.S. Securities Act or except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or applicable state or local securities laws. The securities referred to herein are being offered and sold in an offering outside the United States in reliance on Regulation S under the U.S. Securities Act. There will be no public offering of securities of the Company in the United States or in any other jurisdiction where such an offering is restricted or prohibited.



HENDERSON LAND DEVELOPMENT COMPANY LIMITED

恒基兆業地產有限公司

Incorporated in Hong Kong with limited liability
(Stock Code : 12)

ANNOUNCEMENT

PROPOSED ISSUANCE OF HK\$8,000,000,000 0.5% GUARANTEED CONVERTIBLE BONDS DUE 2030 UNDER GENERAL MANDATE

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager



HSBC

Reference is made to the announcement of the Company dated 8 July 2025 in relation to the proposed issuance of convertible bonds by the Issuer. Subsequent to the issuance of the abovementioned announcement, a book-building exercise has been conducted by the Manager, after which the terms of the Bonds, including but not limited to, the principal amount and the initial Conversion Price, have been finalised.

On 8 July 2025 (after trading hours), the Issuer, the Company (as guarantor for the Issuer) and the Manager entered into the Subscription Agreement in relation to the subscription by the Manager or subscribers procured by it for the Bonds in an aggregate principal amount of HK\$8,000,000,000 to be issued by the Issuer, subject to the conditions set out in the Subscription Agreement. The issue price of the Bonds will be 100% of the aggregate principal amount of the Bonds and the denomination of each Bond will be HK\$2,000,000 and integral multiples thereof.

Based on the initial Conversion Price of HK\$36 per Share and assuming full

conversion of the Bonds at the initial Conversion Price and that no other Shares are issued and no Shares are repurchased, the Bonds will be convertible into approximately 222,222,222 Conversion Shares, representing approximately 4.59% of the total number of issued Shares as at the date of this announcement and approximately 4.39% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the Issue Mandate and will be fully-paid and rank *pari passu* in all respects with the Shares then in issue.

The Company will make or cause to be made an application for the Bonds to be listed on the Vienna MTF operated by the Vienna Stock Exchange (or such other internationally recognised stock exchange as the Issuer may from time to time determine). An application will also be made for the Conversion Shares to be allotted and issued upon conversion of the Bonds to be listed on the Hong Kong Stock Exchange.

The Net Proceeds from the issue of the Bonds will be approximately HK\$7,920 million. The Company intends to apply the Net Proceeds for general corporate purposes and/or refinancing.

The Conversion Shares will be allotted and issued pursuant to the general mandate granted to the Board by the Shareholders at the 2025 annual general meeting of the Company held on 3 June 2025. The issue and subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

Completion of the issue and subscription of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent set out in the Subscription Agreement. In addition, the Subscription Agreement may be terminated in certain circumstances as described below.

As the issue and subscription of the Bonds under the Subscription Agreement may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED ISSUANCE OF HK\$8,000,000,000 0.5% GUARANTEED CONVERTIBLE BONDS DUE 2030 UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated 8 July 2025 in relation to the proposed issuance of convertible bonds by the Issuer. Subsequent to the issuance of the abovementioned announcement, a book-building exercise has been conducted by the Manager, after which the terms of the Bonds, including but not limited to, the principal amount and the initial Conversion Price, have been finalised.

On 8 July 2025 (after trading hours), the Issuer, the Company (as guarantor for the Issuer) and the Manager entered into the Subscription Agreement in relation to the subscription by the Manager or subscribers procured by it for the Bonds in an

aggregate principal amount of HK\$8,000,000,000 to be issued by the Issuer, subject to the conditions set out in the Subscription Agreement. The issue price of the Bonds will be 100% of the aggregate principal amount of the Bonds and the denomination of each Bond will be HK\$2,000,000 and integral multiples thereof.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised as follows:

Date: 8 July 2025

Parties: The Issuer (as issuer);
the Company (as guarantor for the Issuer); and
the Manager

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Manager is an Independent Third Party.

Proposed Issue of the Bonds: Subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement, the Manager has agreed to subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds at the issue price in an aggregate principal amount of HK\$8,000,000,000.

Conditions Precedent: The obligations of the Manager to subscribe and pay for the Bonds are conditional on, among others, the following conditions precedent:

1. **Due Diligence:** the Manager being satisfied with the results of its due diligence investigations with respect to the Company and its subsidiaries which are material in the context of the offering of the Bonds;
2. **Other Contracts:** the execution and delivery (on or before the Closing Date) of the Trust Deed and Agency Agreement, each in a form reasonably satisfactory to the Manager, by the respective parties;
3. **Shareholders' Lock-up:** Each of Henderson Development Limited and Fu Sang Company Limited shall have executed and delivered to the Manager the Shareholder's Lock-Up Undertaking on or before the Closing Date in the form set out in the Subscription Agreement;
4. **Closing Certificate:** a certificate dated the Closing Date in the form set out in the Subscription Agreement signed by a director or other equivalent senior officer of the Company addressed to the Manager, to the effect that:

- (i) the representations and warranties deemed to be made by the Issuer and the Company on the Closing Date pursuant to the Subscription Agreement are true and correct with reference in each case to the factual circumstances then subsisting; and
 - (ii) the Issuer and the Company are in compliance with their respective undertakings under the Subscription Agreement;
- 5. **No Material Adverse Change:** since the date of the Subscription Agreement, there having been no change (nor any development or event involving a prospective change of which the Issuer or the Company is, or might reasonably be expected to be, aware) which is materially adverse to the financial condition, prospects, results of operations, properties or general affairs of the Issuer, the Company or the Consolidated Group, respectively;
- 6. **Authorisations:** there being in full force and effect all corporate, governmental or regulatory authorisations, approvals or consents required (if any) for the Issuer to issue the Bonds on the Closing Date and for the Issuer and the Company to fulfil their obligations under the Trust Deed and Agency Agreement, and the Issuer and the Company having delivered to the Manager certified copies of those authorisations, approvals or consents;
- 7. **Representations and Warranties:** the representations and warranties by the Issuer and the Company in the Subscription Agreement being true and correct on the date of the Subscription Agreement and on each date on which they are deemed to be repeated with reference in each case to the facts and circumstances then subsisting and would be true and correct if they were repeated on the Closing Date with reference to the facts and circumstances then subsisting;
- 8. **Process Agent:** evidence that each of the relevant person has agreed to receive process in the manner specified in the Subscription Agreement;
- 9. **Legal Opinions:** on or before the Closing Date, there having been delivered to the Manager opinions, in form and substance satisfactory to the Manager, dated the Closing Date, of the respective legal advisors to the Issuer, the Company and the Manager; and

10. ***Listing Application:*** the Hong Kong Stock Exchange having agreed to list the Conversion Shares.

The Manager may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions precedent.

As at the date of this announcement, none of the above conditions precedent has not been satisfied and/or waived.

Completion: Completion of the issue of the Bonds is to take place on the Closing Date, subject to the conditions precedent above.

Distribution: The Manager has informed the Company that it intends to offer and sell the Bonds to no less than six (6) independent Placees, who are professional investors (as defined in the SFO). The Bonds will not be offered or sold to the public (within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) in Hong Kong. The Bonds will only be offered and sold in an offering outside the United States in reliance on Regulation S of the U.S. Securities Act. To the best of the Directors' knowledge, information and belief as at the date of this announcement, each of the Placees (and their respective ultimate beneficial owners) is an Independent Third Party.

Company Lock-up Undertaking: Neither the Issuer, the Company nor any person acting on their behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates

inclusive); except for the issuance of the Bonds and the Conversion Shares.

**Shareholder's
Lock-up
Undertakings:**

Each of Henderson Development Limited and Fu Sang Company Limited shall undertake that for a period commencing from the date of the relevant Shareholder's Lock-up Undertaking to 90 days after the Closing Date, without the prior written consent of the Manager, it will not, and will procure its directly or indirectly wholly-owned subsidiaries through which the relevant Lock-up Shares are held, or nominees, not to, (a) issue, offer, sell, pledge, contract to sell or grant options, issue warrants or other instruments representing interests in the relevant Lock-up Shares or offer rights entitling persons to purchase any interest in any such Lock-up Shares or subscribe any securities convertible into, exchangeable for or which carry rights to purchase such Lock-up Shares, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the relevant Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of the relevant Lock-up Shares or other securities, in cash or otherwise, or (d) announce or otherwise make public an intention to do any of the foregoing provided that such undertakings shall not prohibit or restrict any sale, transfer or disposal (or any transactions referred to in (a), (b) or (c) above or any announcement referred to in (d) above) arising by operation of, or required by, law or an order made by a court of competent jurisdiction.

Termination:

The Manager may give a termination notice to the Issuer and the Company at any time prior to the payment of the Net Proceeds of the issue of the Bonds to the Issuer on the Closing Date if:

- (a) any representation or warranty by the Issuer or the Company in the Subscription Agreement is or proves to be untrue or incorrect on the date of the Subscription Agreement or on any date on which it is deemed to be repeated;
- (b) the Issuer or the Company fails to perform any of its obligations under the Subscription Agreement;
- (c) any of the conditions precedent in the Subscription Agreement is not satisfied or waived by the Manager on the Closing Date;

- (d) since the date of the Subscription Agreement there has been, in the opinion of the Manager, such a change in national or international financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (e) in the opinion of the Manager, since the date of the Subscription Agreement there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the Vienna MTF operated by the Vienna Stock Exchange (or such other internationally recognised stock exchange as the Issuer may from time to time determine for listing of the Bonds) , the New York Stock Exchange, the London Stock Exchange plc, and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; or (iii) a general moratorium on commercial banking activities in the United States, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore or the United Kingdom.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are set out below:

Issuer:	The Issuer
Guarantor:	The Company
Bonds:	Hong Kong dollar-denominated 0.5% guaranteed convertible bonds due 2030 in an aggregate principal amount of HK\$8,000,000,000, convertible into fully-paid Shares
Maturity Date:	16 July 2030
Issue Price:	100% of the principal amount of the Bonds

Interest:	Interest on the Bonds is payable at the rate of 0.5% per annum, payable quarterly in arrear in equal instalments on 16 January, 16 April, 16 July and 16 October of each year, beginning on 16 October 2025.
Status and Guarantee:	<p>The Bonds constitute direct, unconditional, unsubordinated and (subject to negative pledge as set out in the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to negative pledge as set out in the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.</p> <p>The due payment of all sums expressed to be payable by the Issuer and the due performance by the Issuer of its obligations under the Trust Deed and the Bonds have been unconditionally and irrevocably guaranteed by the Company.</p>
Form and Denomination:	<p>The Bonds are in registered form in the denomination of HK\$2,000,000 and integral multiples thereof.</p> <p>Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A..</p>
Conversion Right:	<p>Subject to and upon compliance with the Terms and Conditions, each Bondholder has the right to convert his Bond(s) into Conversion Shares at any time during the Conversion Period.</p> <p>The number of Conversion Shares will be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect on the conversion date.</p>
Conversion Period:	At any time (subject to any applicable fiscal or other laws or regulations and as provided in the Terms and Conditions) on or after 26 August 2025 (being 41 days after the Issue Date) up to the close of business (at the place where the Certificate evidencing the relevant Bond is deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in the Terms and Conditions, in no event thereafter) or, if the relevant Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on the date falling ten days prior to the date

fixed for redemption thereof (both days inclusive), or if notice requiring redemption has been given by the holder of the relevant Bond pursuant to the Terms and Conditions, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice requiring redemption.

**Conversion
Price:**

Initially HK\$36 per Share, subject to adjustment for (a) consolidation, reclassification or subdivision of Shares, (b) capitalisation of profits or reserves of the Company, (c) distributions to Shareholders, (d) rights issues of Shares or options over Shares, (e) rights issues of other securities of the Company, (f) issues of Shares, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares at less than Current Market Price, (g) issues of other securities which carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share at less than 95% of Current Market Price, (h) modification of rights of conversion etc. of securities mentioned in (g) above, (i) other offers to Shareholders and (j) any event or circumstance for which the Company has determined that an adjustment to the Conversion Price should be made.

If a Change of Control occurs, the Issuer shall give notice (the “**Change of Control Notice**”) of that fact to the Bondholders and to the Trustee and the Principal Agent in writing within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of the Conversion Right such that the relevant conversion date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

NCP	=	the Conversion Price after such adjustment;
OCP	=	the Conversion Price in effect on the relevant conversion date;
CP	=	Conversion Premium of 26.98% expressed as a fraction;
c	=	the number of days from and including the date Change of Control occurs to but excluding the Maturity Date; and
t	=	the number of days from and including the Issue Date to but excluding the Maturity Date.

The Conversion Price shall not be reduced pursuant to the adjustment upon Change of Control below the level prescribed by the Listing Rules or applicable laws or regulations from time to time (if any).

No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered, allotted or granted pursuant to any share option, share award, restricted share or employee incentive scheme or plan of the Company or any of its subsidiaries which is in compliance with the Listing Rules or, if applicable, the listing rules of an Alternative Stock Exchange ("**Share Scheme Shares/Options**"), unless any issue or grant of Share Scheme Shares/Options would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during the 12-month period up to and including the date of such issue or grant representing, in aggregate, more than 2% of the average number of the issued and outstanding Shares during such 12-month period, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds 2% of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining any adjustment of the Conversion Price.

If an adjustment is required to be made to the initial Conversion Price in accordance with the Terms and Conditions, the Company will comply with the applicable Listing Rules and a further announcement will be made by the Company in accordance with the Listing Rules.

Redemption at Maturity:

Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date.

Redemption at the Option of the Issuer:

On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with the Terms and Conditions, the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount, together with interest accrued but unpaid up to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90% in principal amount of the Bonds originally issued (which shall for this purpose include any further Bonds issued pursuant to the Terms and Conditions) has already been converted, redeemed or purchased and cancelled.

**Redemption for
Taxation
Reasons:**

The Issuer may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days' notice (a **"Tax Redemption Notice"**) to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the Terms and Conditions (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption at their principal amount, together with interest accrued but unpaid up to but excluding such date (if any), if the Issuer satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (a) the Issuer (or if the guarantee was called, the Company) has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the British Virgin Islands, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 8 July 2025, and (b) such obligation cannot be avoided by the Issuer (or, as the case may be, the Company) taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or, as the case may be, the Company) would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed. Upon a Bondholder electing not to have his Bond(s) redeemed in such circumstances, no additional tax amount shall be payable by the Issuer in respect thereof pursuant to the Terms and Conditions and payment of all amounts by the Issuer to such holder in respect of such Bond(s) shall be made subject to any deduction or withholding of any tax required to be deducted or withheld.

**Redemption for
Delisting or
Change of
Control:**

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount, together with interest accrued but unpaid up to but excluding such date (if any). To exercise such right, the holder of the relevant Bond must deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant paying agent)) at the specified office of any

paying agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any paying agent, together with the Certificate evidencing the Bonds to be redeemed by not later than (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice of the Relevant Event is given to Bondholders by the Issuer in accordance with the Terms and Conditions. The “**Relevant Event Put Date**” shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A “**Relevant Event**” occurs (i) when the Shares cease to be listed or admitted to trading or are suspended on the Main Board of the Hong Kong Stock Exchange for a period equal to or exceeding 30 consecutive trading days; or (ii) when there is a Change of Control.

**Redemption at
the Option of
the
Bondholders:**

On 16 July 2028 (the “**Optional Put Date**”), the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Optional Put Date at their principal amount, together with interest accrued but unpaid up to but excluding the Optional Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant paying agent)) at the specified office of any paying agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any paying agent (an “**Optional Put Exercise Notice**”) together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Optional Put Date.

**Negative
Pledge:**

So long as any Bond remains outstanding, none of the Issuer or the Company shall, and the Issuer and the Company shall procure that none of the Material Subsidiaries (other than Listed Material Subsidiaries) will, create or permit to subsist any Security Interest (other than Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

Transferability:

The Bonds may, subject to the Terms and Conditions and the terms of the Agency Agreement, be transferred in whole or in

part in the denomination of HK\$2,000,000 and integral multiples thereof. Transfers of interests in the Bonds evidenced by the global certificate will be effected in accordance with the rules of the relevant clearing systems.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$36 per Share represents:

- (i) a premium of approximately 26.98% over the closing price of HK\$28.35 per Share as quoted on the Hong Kong Stock Exchange on 8 July 2025 (being the trading day on which the Subscription Agreement was signed);
- (ii) a premium of approximately 24.78% over the average closing price of approximately HK\$28.85 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including 8 July 2025 (being the trading day on which the Subscription Agreement was signed); and
- (iii) a premium of approximately 26.89% over the average closing price of approximately HK\$28.37 per Share as quoted on the Hong Kong Stock Exchange for the last ten consecutive trading days up to and including 8 July 2025 (being the trading day on which the Subscription Agreement was signed).

The initial Conversion Price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the Subscription Agreement and was negotiated on an arm's length basis between the Company and the Manager.

Based on the initial Conversion Price of HK\$36 per Share and assuming full conversion of the Bonds at the initial Conversion Price and that no other Shares are issued and no Shares are repurchased, the Bonds will be convertible into approximately 222,222,222 Conversion Shares, representing approximately 4.59% of the total number of issued Shares as at the date of this announcement and approximately 4.39% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the Issue Mandate and will be fully-paid and rank pari passu in all respects with the Shares then in issue.

Fractions of Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Conversion Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares.

The Company does not hold any Shares as treasury shares.

LISTING

The Company will make or cause to be made an application for the Bonds to be listed on the Vienna MTF operated by the Vienna Stock Exchange (or such other internationally recognised stock exchange as the Issuer may from time to time determine). An application will also be made for the Conversion Shares to be listed on the Hong Kong Stock Exchange.

USE OF PROCEEDS

The Net Proceeds from the issue of the Bonds will be approximately HK\$7,920 million. The Company intends to apply the Net Proceeds for general corporate purposes and/or refinancing.

EFFECT ON SHAREHOLDING STRUCTURE

The following table summarises the potential effects on the shareholding structure of the Company as a result of the issue of the Bonds assuming full conversion of the Bonds and that no other Shares are issued and no Shares are repurchased:

	As at the date of this announcement		Assuming that the Bonds are fully converted into Conversion Shares at the initial Conversion Price, no other Shares are issued and no Shares are repurchased	
	<i>Number of Shares</i>	<i>Approximate % of total issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of total issued Shares</i>
Existing Shareholders:	4,841,387,003	100.00%	4,841,387,003	95.61
Bondholders:	-	-	222,222,222	4.39
Total issued Shares:	<u>4,841,387,003</u>	<u>100.00%</u>	<u>5,063,609,225</u>	<u>100.00%</u>

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The transaction marks a significant milestone, showcasing strong investor confidence in the Company's business strategies and growth prospects, notwithstanding fluctuating market conditions and global political uncertainties.

The Board considers that the issue of the Bonds will enable the Company to raise financing on attractive terms and diversify the funding sources of the Group, which will support the Group's ongoing business development.

The Directors consider the terms of the Subscription Agreement and the Bonds are

fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE

Based on the initial Conversion Price of HK\$36 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of approximately 222,222,222 Conversion Shares.

By resolutions of the Shareholders passed at the annual general meeting held on 3 June 2025, the Directors were granted a general mandate to issue, allot and deal with new Shares not exceeding 20% of the then total number of issued Shares (the **“Issue Mandate”**).

As at the date of this announcement, no Shares have been issued or committed to be issued pursuant to the Issue Mandate. Accordingly, as of the date of this announcement, the number of Shares that the Company may issue pursuant to the Issue Mandate is 968,277,400 Shares, representing 20% of the total number of issued Shares (4,841,387,003 Shares) as at the date on which the Issue Mandate was granted to the Directors. The Conversion Shares will be issued under such Issue Mandate and no additional approval from Shareholders of the Company is required for the allotment and issue of the Conversion Shares.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

INFORMATION ON THE COMPANY AND THE ISSUER

The Company is an investment holding company and the principal activities of its subsidiaries are property development and investment, construction, project management, property management, hotel operation, department store operation and investment holding.

The Issuer is an indirect wholly-owned subsidiary of the Company and it has not carried out any business activities since its incorporation.

Completion of the issue and subscription of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent set out in the Subscription Agreement. In addition, the Subscription Agreement may be terminated in certain circumstances as described above.

As the issue of the Bonds under the Subscription Agreement may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Agency Agreement”	the agency agreement to be entered into on or around the Closing Date between the Issuer, the Company, the Trustee and the Principal Agent as principal paying agent and principal conversion agent, transfer agent, registrar and the other agents appointed under it
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bondholder”	the person in whose name a Bond is registered
“Bond(s)”	HK\$8,000,000,000 0.5% guaranteed convertible bond(s) due 2030 to be issued by the Issuer which are convertible at the option of the holder thereof into fully paid Shares
“Certificate”	a bond certificate
“Change of Control”	the occurrence of any of the following: <ul style="list-style-type: none"> (i) other than the Lee Family or any of its affiliates, any Person or Persons, acting together, acquires Control of the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in any Person or Persons (other than the Lee Family or any of its affiliates) acquiring Control over the Company or the successor entity
“Closing Date”	16 July 2025, or another date not later than 30 July 2025, as the Issuer, the Company and the Manager may agree
“Closing Price”	for the Shares for any trading day shall be the price published in the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day
“Company”	Henderson Land Development Company Limited

“Consolidated Group”	the Company and its subsidiaries
“Control”	the ownership or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Price”	the price at which Conversion Shares will be issued upon the conversion of any Bond
“Conversion Right”	in respect of a Bond, the right of the holder to convert such Bond into Conversion Shares credited as fully paid at any time during the Conversion Period (as described in the section headed “Principal Terms of the Bonds” above) subject to and upon compliance with the Terms and Conditions
“Conversion Share(s)”	the Share(s) to be issued upon conversion of the Bond(s) pursuant to the Trust Deed and the Terms and Conditions
“Current Market Price”	<p>in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive trading days ending on the trading day immediately preceding such date; provided that if at any time during the said 20 trading day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:</p> <p>(a) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or;</p> <p>(b) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the</p>

amount thereof increased by the Fair Market Value of that dividend per Share

and provided further that if the Shares on each of the said 20 trading days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share and provided further that:

- (i) if such Closing Prices are not available on each of the 20 trading days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and
- (ii) if only one or no such Closing Price is available in the relevant period, then the Current Market Price shall be determined in good faith by an independent investment bank

“Director(s)”

the director(s) of the Company

“Fair Market Value”

with respect to any security on any date, the fair market value of that security as determined by an independent investment bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend (in which case no determination by an independent investment bank would be required); (ii) the fair market value of any other cash amount shall be equal to such cash amount (in which case no determination by an independent investment bank would be required); and (iii) where securities are or will be publicly traded in a market of adequate liquidity (as determined by such independent investment bank) the fair market value of such securities shall equal the arithmetic mean of the daily closing prices of such securities during the period of five trading days on the relevant market commencing on the first such trading day as such securities are publicly traded

“Group”

the Company and its subsidiaries and affiliates taken

	as a whole
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Issue Date”	16 July 2025
“Issuer”	Happy Ever Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Lee Family”	Dr. Lee Shau Kee’s family and/or companies which are controlled by any of them and/or any trust in which Dr. Lee Shau Kee’s family and/or companies controlled by any of them are beneficiaries and/or interests associated with any or some of them
“Listed Material Subsidiary”	any Material Subsidiary, the shares of which are at the relevant time listed on the Hong Kong Stock Exchange or any other stock exchange
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Stock Limited
“Lock-up Shares”	(a) in respect of the Shareholder’s Lock-up Undertaking to be executed by Henderson Development Limited, the 3,506,860,733 Shares in aggregate held by it directly or indirectly through wholly-owned subsidiaries or through nominees; and (b) in respect of the Shareholder’s Lock-up Undertaking to be executed by Fu Sang Company Limited, the 2,922,045 Shares in aggregate held by it directly or indirectly through wholly-owned subsidiaries or through nominees, which in aggregate represent approximately 72.5% of the existing issued share capital of the Company
“Manager”	The Hongkong and Shanghai Banking Corporation Limited

“Material Subsidiary”	subject to and as further described in the Terms and Conditions, any Subsidiary of the Company:
	<ul style="list-style-type: none"> <li data-bbox="635 302 1372 674">(i) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) as calculated by reference to its latest audited or reviewed financial statements is at least 10% of the consolidated gross revenue of the Company and its Subsidiaries as calculated by reference to the latest audited or reviewed consolidated financial statements of the Company; or <li data-bbox="635 712 1372 1048">(ii) whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) as calculated by reference to its latest audited financial statements are at least 10% of the consolidated gross assets of the Company and its Subsidiaries as calculated by reference to the latest audited or reviewed consolidated financial statements of the Company
“Maturity Date”	16 July 2030
“Net Proceeds”	estimated net proceeds from the issue of the Bonds payable to the Issuer, after deduction of the Manager’s commission and other estimated expenses payable
“Permitted Security Interest”	(i) any Security Interest over any assets (or related documents of title) purchased by the Issuer, the Company or any Material Subsidiary as security for all or part of the purchase price of such assets and any substitute Security Interest created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets; and (ii) any Security Interest over any assets (or related documents of title) purchased by the Issuer, the Company or any Material Subsidiary subject to such Security Interest and any substitute Security Interest created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets
“Person”	includes any individual, company, corporation, firm,

	partnership, joint venture, undertaking, association, organisation, trust, state or agency of state (in each case whether or not being a separate legal entity) but does not include the Company's wholly owned direct or indirect Subsidiaries
"Placees"	any professional investors (as defined under the SFO) procured by the Manager to subscribe for any Bonds pursuant to the obligations under the Subscription Agreement
"PRC"	the People's Republic of China, which shall for the purpose of this announcement only, exclude Hong Kong, Macau Special Administrative Region and Taiwan
"Principal Agent"	The Hongkong and Shanghai Banking Corporation Limited as principal paying agent and principal conversion agent, which expression shall include its successors and all persons appointed from time to time in connection with the Bonds
"Relevant Indebtedness"	any indebtedness in the form of and represented by debentures, loan stock, bonds, Bonds, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement) having an original maturity of more than one year from its date of issue but shall not include indebtedness under any secured transferable loan facility (which term shall, for the avoidance of doubt, mean any agreement for or in respect of indebtedness for borrowed money entered into with one or more banks and/or financial institutions whereunder rights and (if any) obligations may be assigned and/or transferred)
"Security Interest"	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Lock-up Undertaking(s)”	a lock-up undertaking to be made on or before the Closing Date in favour of the Manager by Henderson Development Limited and Fu Sang Company Limited respectively in respect of the relevant Lock-up Shares held by it directly or indirectly pursuant to the Subscription Agreement as described in the section headed “The Subscription Agreement – Shareholder’s Lock-up Undertakings” above
“Subsidiary”	in relation to any person, any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of Hong Kong from time to time, should have its accounts consolidated with those of that person
“Subscription Agreement”	the subscription agreement dated 8 July 2025 entered into between the Issuer, the Company and the Manager in respect of the issue of the Bonds
“Terms and Conditions	the terms and conditions of the Bonds
“Trust Deed”	the trust deed to be entered into on or around the Closing Date between the Issuer, the Company and the Trustee constituting the Bonds
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“%”	per cent.

By Order of the Board
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 8 July 2025

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Ka Kit (Chairman and Managing Director), Lee Ka Shing (Chairman and Managing Director), Lam Ko Yin, Colin (Vice Chairman), Yip Ying Chee, John, Fung Lee Woon King, Kwok Ping Ho, Suen Kwok Lam, Wong Ho Ming, Augustine and Fung Hau Chung, Andrew; (2) non-executive director: Lee Pui Ling, Angelina; and (3) independent non-executive directors: Kwong Che Keung, Gordon, Ko Ping Keung, Wu King Cheong, Woo Ka Biu, Jackson, Poon Chung Kwong and Au Siu Kee, Alexander.