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**恒隆集團有限公司**  
**HANG LUNG GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 00010)



**恒隆地產有限公司**  
**HANG LUNG PROPERTIES LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 00101)

**MAJOR  
TRANSACTION**

**DISCLOSEABLE  
TRANSACTION**

## **LAND ACQUISITION**

The respective boards of directors of HLG and HLP are pleased to announce that on 28 May 2018, Passion Success, through listing-for-sale, successfully won the bidding in respect of the Land Use Right of the Land at a consideration of RMB10,730,950,000 (equivalent to approximately HK\$13,162,000,000) for business commercial development.

For HLG, since one or more of the applicable percentage ratios are greater than 25% but less than 100% for the purpose of rule 14.07 of the Listing Rules, the Land Acquisition constitutes a major transaction for HLG under the Listing Rules. The Land Acquisition is a qualified property acquisition under rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land in the Mainland from a PRC governmental body through listing-for-sale. The Land Acquisition is undertaken on a sole basis by HLG Group in its ordinary and usual course of business. Accordingly, the Land Acquisition is subject to reporting and announcement requirements but is exempt from the shareholders' approval requirement pursuant to rule 14.33A of the Listing Rules.

For HLP, since one or more of the applicable percentage ratios are greater than 5% but less than 25% for the purpose of rule 14.07 of the Listing Rules, the Land Acquisition constitutes a discloseable transaction for HLP under the Listing Rules and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

A circular of HLG containing, among other things, details of the Land Acquisition is expected to be dispatched to HLG's shareholders on or before 19 June 2018.

## **INTRODUCTION**

On 28 May 2018, Passion Success, through listing-for-sale, successfully won the bidding in respect of the Land Use Right of the Land at a consideration of RMB10,730,950,000 (equivalent to approximately HK\$13,162,000,000) for business commercial development. Subject to Passion Success' fulfillment of the requirements and conditions under the listing-for-sale documents and the qualification examination to be conducted by Hangzhou Land Resources Bureau, Hangzhou Land Resources Bureau will issue the confirmation notice in accordance with the conditions of the listing-for-sale documents. Passion Success will subsequently enter into the grant contract for the state-owned construction land use right

in Hangzhou (杭州市國有建設用地使用權出讓合同) with Hangzhou Land Resources Bureau.

## **DETAILS OF THE LAND ACQUISITION**

Date : 28 May 2018

Parties : Hangzhou Land Resources Bureau as vendor. To the best of the knowledge, information and belief of the directors of HLG and HLP after making all reasonable enquiry, Hangzhou Land Resources Bureau is an independent third party to HLG, HLP and their respective connected persons

Passion Success as purchaser

Purpose : for business commercial development of the Land with a site area of approximately 44,827 square meters and a maximum gross floor area (above ground) of approximately 194,100.91 square meters, according to the listing-for-sale documents.

## **CONSIDERATION AND PAYMENT TERMS**

The consideration for the Land Acquisition is RMB10,730,950,000 (equivalent to approximately HK\$13,162,000,000), which was required to be paid / will be payable by cash instalments in the following manner:

<u>Required date of payment</u>	<u>Required amount paid / payable</u>
Before 11 June 2018	RMB2,146,190,000 (equivalent to approximately HK\$2,632,400,000) (being 20% of the consideration)
Before 11 July 2018	RMB3,219,285,000 (equivalent to approximately HK\$3,948,600,000) (being 30% of the consideration)
Before 9 February 2019	RMB5,365,475,000 (equivalent to approximately HK\$6,581,000,000) (being 50% of the consideration)

The consideration was the outcome of the listing-for-sale held by Hangzhou Land Resources Bureau in Zhejiang Province land use right online trading system (浙江省土地使用權網上交易系統) on 28 May 2018 which was conducted in accordance with the relevant PRC laws and regulations. The consideration will be funded from HLP Group's internal resources and/or funded by borrowings by HLP Group.

## **REASONS FOR AND BENEFITS OF THE LAND ACQUISITION**

The Land is located in Xiacheng District, commercial and business center of Hangzhou, well served by public transport. The directors of HLG and HLP believe that acquisition of the Land broadens the assets, earning base and growth prospect of the HLG Group, and is part of our long-term investment plan in PRC, and will be beneficial to HLG and HLP and their

respective shareholders as a whole. The directors of HLG and HLP also consider that the terms of the Land Acquisition are on normal commercial terms, and are fair and reasonable, and in the interests of HLG and HLP and their respective shareholders.

## **INFORMATION ON HLG AND HLP**

HLG is listed on the Stock Exchange and has been involved in property development in Hong Kong for more than 50 years. HLG is the holding company of HLP.

HLP is the property arm of HLG, being one of the largest property development and investment companies in Hong Kong in terms of its market capitalization. The principal activities of HLP are investment holding, and through its subsidiaries, property investment for rental income, property development for sales and leasing, car park management and property management, both in Hong Kong and PRC.

## **GENERAL**

For HLG, since one or more of the applicable percentage ratios are greater than 25% but less than 100% for the purpose of rule 14.07 of the Listing Rules, the Land Acquisition constitutes a major transaction for HLG under the Listing Rules. The Land Acquisition is a qualified property acquisition under rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land in the Mainland from a PRC governmental body through listing-for-sale. The Land Acquisition is undertaken on a sole basis by HLG Group in its ordinary and usual course of business. Accordingly, the Land Acquisition is subject to reporting and announcement requirements but is exempted from the shareholders' approval requirement pursuant to rule 14.33A of the Listing Rules.

For HLP, since one or more of the applicable percentage ratios are greater than 5% but less than 25% for the purpose of rule 14.07 of the Listing Rules, the Land Acquisition constitutes a discloseable transaction for HLP under the Listing Rules and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

A circular of HLG containing, among other things, details of the Land Acquisition is expected to be dispatched to HLG's shareholders on or before 19 June 2018.

## **DEFINITIONS**

In this announcement the following expressions have the meanings set out below unless the context requires otherwise:

“connected person”	has the meaning as defined in the Listing Rules
“Hangzhou Land Resources Bureau”	杭州市國土資源局 (Hangzhou Land Resources Bureau), a PRC government bureau
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HLG”	Hang Lung Group Limited, a limited liability company incorporated under the laws of Hong Kong whose shares are listed on the main board of the Stock Exchange
“HLG Group”	HLG together with its subsidiaries
“HLP”	Hang Lung Properties Limited, a limited liability company incorporated under the laws of Hong Kong whose shares are listed on the main board of the Stock Exchange and a non-wholly owned subsidiary of HLG
“HLP Group”	HLP together with its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Land”	land lot number 杭政儲出[2018]13 號 with a site area of approximately 44,827 square meters located at Xiacheng District, Hangzhou, Zhejiang Province, PRC
“Land Acquisition”	the acquisition of the Land Use Right of the Land through listing-for-sale for a term of 40 years by Passion Success as mentioned above
“Land Use Right”	國有建設用地使用權, state-owned construction land use right of the Land for a term of 40 years
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Passion Success”	Passion Success Limited, a wholly-owned subsidiary of HLP (which in turn is a non-wholly owned subsidiary of HLG)
“PRC”	the People’s Republic of China (for the purpose of disclosure in this announcement, excludes Hong Kong, Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$1.00 = RMB0.8153. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.*

By Order of the Board of  
**Hang Lung Group Limited**  
**Margaret Ka Man YAN**  
*Company Secretary*

By Order of the Board of  
**Hang Lung Properties Limited**  
**Margaret Ka Man YAN**  
*Company Secretary*

Hong Kong, 28 May 2018

*As at the date of this announcement, the board of directors of Hang Lung Group Limited comprises:*

*Executive Directors:* Mr. Ronnie C. CHAN, Mr. Philip N.L. CHEN, Mr. Weber W.P. LO, Mr. H.C. HO and Mr. Adriel W. CHAN

*Non-Executive Director:* Mr. Gerald L. CHAN, Mr. George K.K. CHANG and Mr. Roy Y.C. CHEN

*Independent Non-Executive Directors:* Mr. Simon S.O. IP, Prof. P.W. LIU, Prof. L.C. TSUI and Mr. Martin C.K. LIAO

*As at the date of this announcement, the board of directors of Hang Lung Properties Limited comprises:*

*Executive Directors:* Mr. Ronnie C. CHAN, Mr. Philip N.L. CHEN, Mr. Weber W.P. LO, Mr. H.C. HO and Mr. Adriel W. CHAN

*Independent Non-Executive Directors:* Mr. Ronald J. ARCULLI, Mr. Dominic C.F. HO,

Mr. Nelson W.L. YUEN, Dr. Andrew K.C. CHAN, Prof. H.K. CHANG and Ms. Anita Y.M. FUNG