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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)

JOINT ANNOUNCEMENT CONNECTED TRANSACTIONS

The respective boards of directors of HLG and HLP announce that, the First Purchaser and the Second Purchaser had submitted the forms of tender for the purchase of the First Property and the Second Property respectively and MTR as vendor accepted the tenders on 25 November 2014.

As the First Purchaser and the Second Purchaser are connected persons of both HLG and HLP, the transactions constitute connected transactions of HLG and HLP under the Listing Rules.

As the applicable percentage ratios as defined under rule 14.07 of the Listing Rules of both HLG and HLP in respect of the transactions contemplated under the tenders exceed 0.1% but are less than 5%, such transactions are subject to reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

BACKGROUND

The First Purchaser and the Second Purchaser had submitted the forms of tender for the purchase of the First Property and the Second Property respectively and MTR as vendor accepted the tenders on 25 November 2014.

AP World has a development interest in The HarbourSide pursuant to a development agreement dated 7 April 1999 (as supplemented and amended) made between AP World and Mass Transit Railway Corporation (succeeded by MTR). Pursuant to arrangements agreed between AP World and Mass Transit Railway Corporation (succeeded by MTR), the sale of (inter alia) the First Property and Second Property was to be conducted by AP World, and AP World will derive benefits and profits by reference to the sales proceeds of the First Property and Second Property.

As the First Purchaser and the Second Purchaser are connected persons of both HLG and HLP, the transactions constitute connected transactions of HLG and HLP under the Listing Rules.

TRANSACTIONS

	<i>The First Property</i>	<i>The Second Property</i>
Date	: 25 November 2014	25 November 2014
Parties	: (1) MTR (as vendor) (2) the First Purchaser (as purchaser)	(1) MTR (as vendor) (2) the Second Purchaser (as purchaser)
Consideration	: HK\$99,406,126	HK\$140,120,000
Payment terms	: (i) 5% of the consideration as deposit upon the vendor's acceptance of the tenders; (ii) 5% of the consideration as further deposit upon signing of the Formal Agreements which would be executed within 5 working days after the date of the notices of acceptance of the tenders; and (iii) Remaining 90% of the consideration to be paid upon completion within 60 days after the date of the notices of acceptance of the tenders.	
Completion	: On or before 24 January 2015	

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

AP World is principally engaged in the business of property development. The disposals stipulated in the tenders are conducted in the ordinary and usual course of business of the Group.

The considerations for the sale of the First Property and the Second Property were determined based on the sales by way of public tenders conducted in accordance with the Residential Properties (First-hand Sales) Ordinance.

Having considered that the considerations were determined by way of public tender and on arm's length basis, the respective boards of HLG and HLP (including the independent non-executive directors other than those abstain from voting) considered that the terms of the transactions are fair and reasonable and on normal commercial terms and in the ordinary and usual course of business of the Group, and the acceptance of the tenders are in the interests of HLG, HLP and their respective shareholders as a whole.

The book values of the First Property and the Second Property as at 31 December 2013 were HK\$8,297,000 and HK\$16,571,000 respectively. It is expected that the Group will record a gains of approximately HK\$82,507,000 and HK\$113,497,000 after deduction of marketing cost but before provision for tax. The proceeds of the sales of the First Property and Second Property will be used as general working capital of the Group.

INFORMATION REGARDING HLG AND HLP

HLG is a company 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 the PRC.

LISTING RULES IMPLICATIONS

The First Purchaser, Ms. Chan Tan Ching Fen, is the mother of Mr. Ronnie C. Chan (the chairman of both HLG and HLP) and Mr. Gerald L. Chan (non-executive director of HLG), and aunt of Ms. Laura L.Y. Chen (independent non-executive director of both HLG and HLP). The Second Purchaser, Mr. Nelson W.L. Yuen, is an independent non-executive director of HLP. Accordingly, the First Purchaser and the Second Purchaser are connected persons of HLG and HLP, and the transactions constitute connected transactions of HLG and HLP under the Listing Rules. Mr. Ronnie C. Chan, Mr. Gerald L. Chan, Ms. Laura L.Y. Chen and Mr. Nelson W.L. Yuen have abstained from voting on the resolution in relation to the transactions. Save as disclosed above, the boards of HLG and HLP confirm that none of the directors had any material interest in the transactions.

As the applicable percentage ratios as defined under rule 14.07 of the Listing Rules of both HLG and HLP in respect of the transactions contemplated under the tenders exceed 0.1% but are less than 5%, such transactions are subject to reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

“AP World”	AP World Limited, a limited liability company incorporated under the laws of Hong Kong, a wholly-owned subsidiary of HLP and a non-wholly owned subsidiary of HLG
“connected person”	has the meaning as defined in the Listing Rules
“First Property”	Flat C, 77th and 78th Floors of Tower 1 and two car parking spaces of The HarbourSide
“First Purchaser”	Ms. CHAN TAN Ching Fen
“Formal Agreements”	formal agreements for sale and purchase in respect of the First Property and the Second Property
“Group”	HLG and its subsidiaries

“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 and a holding company of HLP
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTR”	MTR Corporation Limited, a limited liability incorporated under the laws of Hong Kong whose shares are listed on the main board of the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of disclosure, excluding Hong Kong, Macau and Taiwan)
“Second Property”	Flats B, E and F, 72nd Floor of Tower 2 and four car parking spaces of The HarbourSide
“Second Purchaser”	Mr. Nelson W.L YUEN, an independent non-executive director of HLP
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The HarbourSide”	a residential development at 1 Austin Road West, Kowloon Inland Lot No. 11080

By Order of the Board of
Hang Lung Group Limited
Bella Peck Lim CHHOA
Company Secretary

By Order of the Board of
Hang Lung Properties Limited
Bella Peck Lim CHHOA
Company Secretary

Hong Kong, 25 November 2014

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 and Mr. H.C. HO

Non-Executive Director: Mr. Gerald L. CHAN

Independent Non-Executive Directors: Mr. S.S. YIN, Dr. H.K. CHENG, Ms. Laura L.Y. CHEN, Mr. Simon S.O. IP, 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 and Mr. H.C. HO

Non-Executive Director: Dr. Andrew K.C. CHAN

Independent Non-Executive Directors: Mr. S.S. YIN, Mr. Ronald J. ARCULLI, Dr. H.K. CHENG, Ms. Laura L.Y. CHEN, Prof. P.W. LIU, Mr. Dominic C.F. HO and Mr. Nelson W.L. YUEN