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新鴻基地產發展有限公司

Sun Hung Kai Properties Limited

*(Incorporated in Hong Kong with limited liability)
(Stock Code : 16)*

DISCLOSEABLE TRANSACTION SUCCESSFUL TENDER OF LAND

The Board is pleased to announce that on 15 May 2018, Super Great, a wholly-owned subsidiary of the Company, received the Letter from the Lands Department confirming that its tender for the Land (which is situated in Kai Tak, Kowloon, Hong Kong) put up for sale under the Tender at the Land Premium of HK\$25,161,000,000 has been accepted.

As one of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 May 2018, Super Great, a wholly-owned subsidiary of the Company, received the Letter from the Lands Department confirming that its tender for the Land (which is situated in Kai Tak, Kowloon, Hong Kong) put up for sale under the Tender at the Land Premium of HK\$25,161,000,000 has been accepted.

THE TENDER AND THE ACQUISITION

The parties

- (1) the Government of Hong Kong, as the vendor
- (2) Super Great, a wholly-owned subsidiary of the Company, as the purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Government of Hong Kong is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Information on the Land

Location	:	Kai Tak Area 1F, Site 1, Kai Tak, Kowloon, Hong Kong and registered in the Land Registry as New Kowloon Inland Lot No. 6568
Site area	:	Approximately 16,556 square metres
Maximum gross floor area	:	131,495 square metres
Minimum gross floor area	:	78,897 square metres
Term	:	50 years from the date of the Memorandum of Agreement
Permitted use	:	Non-industrial (excluding godown and petrol filling station) purposes

Under the terms of the Tender, Super Great shall enter into the Memorandum of Agreement with the Government of Hong Kong in respect of the Acquisition within 14 days from the date of the Letter.

Land Premium and the payment terms

The Land Premium payable is HK\$25,161,000,000. In determining the Land Premium, the Company has taken into account various factors including the development prospects and the potential of the Land and the overall prospect of the property market in Hong Kong.

A deposit of HK\$25,000,000 paid at the time when the Tender was submitted has been applied in part payment of the Land Premium, and the remaining balance of HK\$25,136,000,000 shall be paid within 28 days of the date of the Letter.

The Land Premium will be financed by a combination of the Group's internal resources and bank borrowings.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group include the development of and investment in properties for sale and rent. The Group has extensive experience in developing integrated developments in Hong Kong and Mainland China and can leverage on its experience in developing the Land into a landmark residential and commercial development, and in which the commercial portion will be retained as a long term investment for rental purpose. The Land is situated in a strategic location in the Kai Tak Area and is directly connected to the Kai Tak MTR Station. The Acquisition can enable the Group to take advantage of the full potential of this area.

It is expected that the Acquisition will enhance the development property portfolio of the Group, which will generate substantial income and further strengthen the market position of the Group in Hong Kong.

The Board believes that the terms of the Acquisition are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

Super Great is a company incorporated in Hong Kong with limited liability. The principal activity of Super Great is property development.

The Company is an investment holding company and its subsidiaries are principally engaged in the development of and investment in properties for sale and rent, hotel operation, telecommunications, transport infrastructure and logistics.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:-

“Acquisition”	the acquisition of the Land under the terms of the Tender and the Agreement and Conditions of Sale
“Agreement and Conditions of Sale”	the agreement and conditions of sale of the Land as set out in the Tender documents
“Board”	the board of Directors
“Company”	Sun Hung Kai Properties Limited 新鴻基地產發展有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 16)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Land”	a piece of land located at Kai Tak Area 1F, Site 1, Kai Tak, Kowloon, Hong Kong and registered in the Land Registry as New Kowloon Inland Lot No. 6568
“Land Premium”	the land premium of HK\$25,161,000,000, being the consideration for the Acquisition
“Lands Department”	the Lands Department of the Government of Hong Kong
“Letter”	a letter notifying the acceptance of the Tender from the Lands Department dated 15 May 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement to be entered into between the Government of Hong Kong and Super Great in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Great”	Super Great Limited 崇啓有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Tender”	sale of the Land by the Government of Hong Kong by way of tender

By order of the Board
YUNG Sheung-tat, Sandy
Company Secretary

Hong Kong, 15 May 2018

As at the date hereof, the Board of the Company comprises eight Executive Directors, being KWOK Ping-uen, Raymond (Chairman and Managing Director)(KWOK Ho-lai, Edward being his Alternate Director), WONG Chik-wing, Mike (Deputy Managing Director), LUI Ting, Victor (Deputy Managing Director), KWOK Kai-fai, Adam, KWOK Kai-wang, Christopher, KWONG Chun, TUNG Chi-ho, Eric and FUNG Yuk-lun, Allen; three Non-Executive Directors, being LEE Shau-kee (Vice Chairman), WOO Po-shing (WOO Ka-biu, Jackson being his Alternate Director) and KWAN Cheuk-yin, William; and eight Independent Non-Executive Directors, being YIP Dicky Peter, WONG Yue-chim, Richard, LI Ka-cheung, Eric, FUNG Kwok-lun, William, LEUNG Nai-pang, Norman, LEUNG Kui-king, Donald, LEUNG KO May-yee, Margaret and FAN Hung-ling, Henry.

This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.