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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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF SHARES IN HANG LUNG PROPERTIES LIMITED

During the period from 22 September 2017 to 31 August 2018 (both dates inclusive), the Company, through its wholly-owned subsidiaries, acquired on the open market in Hong Kong an aggregate of 85,395,000 HLP Shares at a total consideration of approximately HK\$1,506,751,000 in cash.

As the applicable percentage ratio is greater than 5% but less than 25% for the purpose of rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

THE ACQUISITION

Dates : For the period from 22 September 2017 to 31 August 2018 (both dates inclusive)

Parties : (i) certain wholly-owned subsidiaries of the Company as the purchasers

(ii) sellers in the open market in Hong Kong and the Company is not aware of the identities of the related sellers. To the best of the knowledge, information and belief of the Directors after making all reasonable enquiry, the sellers are independent third parties to the Company and its connected persons.

Interests acquired : An aggregate of 85,395,000 HLP Shares, which represents approximately 1.90% of the total number of HLP Shares in issue as at the date of this announcement. So far as the Directors are aware, there are no contractual restrictions which are applicable to the subsequent sale of the HLP Shares under the Acquisition.

As a result of the Acquisition, the shareholding interests of the Group in HLP increased from approximately 55.13% as at 21 September 2017 to approximately 57.03% as at the date of this announcement.

TOTAL CONSIDERATION

The total consideration was approximately HK\$1,506,751,000 in cash which was/will be satisfied on the respective settlement dates from internal resources and/or by banking facilities of the Group. The average purchase price per HLP Share acquired is HK\$17.64.

The consideration per HLP Share was the market prices quoted on the Stock Exchange at which the transactions for the Acquisition were executed.

INFORMATION ON THE COMPANY AND HLP

The Company is listed on the Stock Exchange with more than 50 years of experience in property development. The Company is the holding company of HLP.

HLP is the property arm of the Company, being one of the major 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.

The table below sets out the published audited financial information of HLP for the years ended 31 December 2016 and 31 December 2017:

	For the year ended 31 December	
	2016	2017
	(audited)	(audited)
	in HK\$ million	in HK\$ million
Profit before taxation	7,979	9,902
Profit after taxation	6,607	8,550
Net asset value	132,145	142,245

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board is of the view that the recent stock market conditions present a good opportunity for acquisition of HLP Shares to increase the Company's ownership in HLP. The Board is confident on the long-term potential growth of the property investment and development industry in Hong Kong and PRC in the future. The Board considers that the terms of the Acquisition, which were all conducted on the open market in Hong Kong, are on normal commercial terms, and are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio is greater than 5% but less than 25% for the purpose of rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the purchase of an aggregate of 85,395,000 HLP Shares conducted on the open market in Hong Kong during the period from 22 September 2017 to 31 August 2018 (both dates inclusive) at a total consideration of approximately HK\$1,506,751,000 in cash
“Board”	the board of Directors of the Company
“Company”	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
“connected person”	has the meaning as defined in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries (for the purpose of disclosure, excluding HLP and HLP’s subsidiaries)
“HLP”	Hang Lung Properties Limited (stock code: 00101), 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 the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HLP Share(s)”	the shares of HLP in issue
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of disclosure, excluding Hong Kong, Macau and Taiwan)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Margaret Ka Man YAN
Company Secretary

Hong Kong, 31 August 2018

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors: Mr. Ronnie C. CHAN, Mr. Weber W.P. LO, Mr. H.C. HO and Mr. Adriel W. CHAN

Non-Executive Directors: 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