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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:-

1. Century Opal and Max Century, both wholly-owned subsidiaries of the Company, have submitted a tender as tenants in common as to 503,513/4,571,740 shares in Century Opal and as to 4,068,227/4,571,740 shares in Max Century for the grant by the Government of Hong Kong of the Land situated at the junction of Lin Cheung Road and Austin Road West, Kowloon, Hong Kong; and
2. on 27 November 2019, Century Opal and Max Century received the Letter from the Lands Department informing them that their tender for the Land at the Land Premium of HK\$42,232,000,000 has been accepted.

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but all of the applicable percentage ratios are 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 27 November 2019, Century Opal and Max Century, both wholly-owned subsidiaries of the Company, received the Letter from the Lands Department informing them that their tender at the Land Premium of HK\$42,232,000,000 submitted by them for the Land (which is situated at the junction of Lin Cheung Road and Austin Road West, Kowloon, Hong Kong), put up for sale by the Government of Hong Kong under the Invitation to Tender, has been accepted.

THE TENDER AND THE ACQUISITION

The parties

- (1) The Government of Hong Kong, as the vendor; and

- (2) Century Opal and Max Century, both wholly-owned subsidiaries of the Company, as tenants in common as to 503,513/4,571,740 shares in Century Opal and as to 4,068,227/4,571,740 shares in Max Century, together 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	:	Junction of Lin Cheung Road and Austin Road West, Kowloon, Hong Kong and registered or to be registered in the Land Registry as Kowloon Inland Lot No. 11262
Site area	:	Approximately 59,746 square metres
Maximum gross floor area	:	294,000 square metres
Minimum gross floor area	:	176,400 square metres
Term	:	50 years from the date of the Memorandum of Agreement
Permitted use	:	Non-industrial (excluding residential, godown and petrol filling station but including hotel) purposes

Under the terms of the Invitation to Tender, Century Opal and Max Century 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\$42,232,000,000. 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.

An initial deposit of HK\$50,000,000, paid at the time when the tender was submitted, has been applied in part payment of the Land Premium. A further deposit of HK\$4,173,200,000 shall be paid within 7 working days of the date of the Letter and the remaining balance of the Land Premium of HK\$38,008,800,000 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 development consisting of a premium shopping mall and several office towers for long term investment purpose. The Land is situated in a strategic location in the West Kowloon District on and adjoining the high speed railway Hong Kong West Kowloon Station which connects to all major cities in Mainland China through the high speed railway network of China. Apart from the high speed rail, the Land has direct access to 3 railway lines, namely, the MTR West Rail Line, the Tung Chung Line and the Airport Express Line forming a transportation hub in the Greater Bay Area. The Acquisition enables the Group to achieve scale, and generate great synergy with the International Commerce Centre in West Kowloon comprising hotel, offices and retail development. This is comparable to the Group's IFC development and will create another major business core in Hong Kong. The Group intends to invite other long term strategic investors to participate in the development of the Land so that the parties can pool their expertise, resources and strength together to undertake this landmark project.

It is expected that the Acquisition will enhance the property investment portfolio of the Group, generate stable recurring rental income and further strengthen the long term development 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

Both Century Opal and Max Century are companies incorporated in Hong Kong with limited liability. The principal activities of Century Opal and Max Century are 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 operations, telecommunications, transport infrastructure and logistics, and data centre operations.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but all of the applicable percentage ratios are 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 at the Land Premium on the terms of the Invitation to Tender
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“Board”	the board of Directors
“Century Opal”	Century Opal Limited 紀奧有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“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 of Hong Kong Limited (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
“Invitation to Tender”	the invitation to tender under the tender notice issued by the Government of Hong Kong inviting tenders by way of premium for the grant of the Land
“Land”	the land located at the junction of Lin Cheung Road and Austin Road West, Kowloon, Hong Kong and registered or to be registered in the Land Registry as Kowloon Inland Lot No. 11262
“Land Premium”	the land premium of HK\$42,232,000,000, being the consideration for the Acquisition
“Lands Department”	the Lands Department of the Government of Hong Kong
“Letter”	a letter from the Lands Department dated 27 November 2019 notifying the acceptance of the tender for the Land submitted by Century Opal and Max Century
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Max Century”	Max Century (H.K.) Limited 信明(香港)有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“Memorandum of Agreement”

the memorandum of agreement to be entered into between the Government of Hong Kong, Century Opal and Max Century in respect of the Acquisition pursuant to the terms of the Invitation to Tender

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

Hong Kong, 27 November 2019

As at the date hereof, the Board of Directors of the Company comprises eight Executive Directors, being KWOK Ping-luen, 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), KWAN Cheuk-yin, William and KWOK Kai-chun, Geoffrey; and nine 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, FAN Hung-ling, Henry and WU Xiang-dong.

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