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恒基兆業地產有限公司

HENDERSON LAND DEVELOPMENT COMPANY LIMITED

Incorporated in Hong Kong with limited liability
(Stock Code : 12)

INSIDE INFORMATION DISPOSAL OF PROPERTY

On 15 September 2016, the Group has entered into the Provisional Agreement for the disposal of the building known as Golden Centre situated at No.188 Des Voeux Road Central, Hong Kong, with a gross floor area of approximately 156,000 square feet, to an independent third party at the Consideration of HK\$4,368 million, subject to adjustment.

Upon completion of the Disposal, an estimated gain on disposal of approximately HK\$1,996 million attributable to the Group's reported profit or approximately HK\$3,872 million attributable to the Group's underlying profit, for the year ending 31 December 2016 would be recognized.

This announcement is made by Henderson Land Development Company Limited (the "**Company**") together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 15 September 2016, Kingslee S.A. (a wholly-owned subsidiary of the Company) as vendor (the "**Vendor**") entered into a provisional sale and purchase agreement (the "**Provisional Agreement**") with an independent third party for the disposal of the building known as Golden Centre situated at No.188 Des Voeux Road Central, Hong Kong (the "**Property**"), with a gross floor area of approximately 156,000 square feet, through the disposal of the shares in the intermediate property holding company and the relevant shareholder's loan (the "**Disposal**").

The total consideration for the Disposal (the "**Consideration**") is HK\$4,368 million, subject to adjustment for the consolidated net current assets of the target company. The Consideration was arrived at after arm's length negotiation between the Vendor and the purchaser, with reference to the agreed value of the Property of HK\$4,368 million. Upon the signing of the Provisional Agreement, a deposit of HK\$436.8 million (representing 10% of the Consideration before any adjustment) has been paid by the Purchaser. Completion of the Disposal is expected to take place on 1 December 2016.

Based on the unaudited consolidated net asset value of the target company at 31 August 2016 (which comprises, inter alia, the carrying amount of the Property based on its fair value at 30 June 2016) and the Consideration as adjusted by the consolidated net current liabilities of the target company at the same date, after deducting an estimated amount of expenses to be borne by the Group relating to the Disposal, upon completion of the Disposal, an estimated gain on disposal of approximately HK\$1,996 million, attributable to the Group's reported profit for the year ending 31 December 2016, would be recognized. Adding back the cumulative fair value gain on the Property of approximately HK\$1,876 million up to 30 June 2016, upon completion of the Disposal, an estimated gain on disposal, attributable to the Group's underlying profit for the year ending 31 December 2016 would amount to approximately HK\$3,872 million.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the purchaser, the purchaser's guarantor and the purchaser's ultimate beneficial owner(s) are third parties that are independent of the Company and its connected persons (as defined under the Listing Rules).

As each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is less than 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 15 September 2016

As at the date of this announcement, the board of directors of the Company comprises: (1) executive directors: Lee Shau Kee (Chairman), Lee Ka Kit, Lam Ko Yin, Colin, Lee Ka Shing, Yip Ying Chee, John, Suen Kwok Lam, Fung Lee Woon King, Lau Yum Chuen, Eddie, Kwok Ping Ho and Wong Ho Ming, Augustine; (2) non-executive directors: Lee Pui Ling, Angelina and Lee Tat Man; and (3) independent non-executive directors: Kwong Che Keung, Gordon, Ko Ping Keung, Wu King Cheong, Woo Ka Biu, Jackson, Leung Hay Man and Poon Chung Kwong.