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)

CONNECTED TRANSACTIONS IN RELATION TO ACQUISITION OF SHARES IN THE HONG KONG AND CHINA GAS COMPANY LIMITED, HONG KONG FERRY (HOLDINGS) COMPANY LIMITED, HENDERSON INVESTMENT LIMITED AND MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

On 2 October 2013, the Company entered into the Share Purchase Agreement (I) with Dr. Lee, Fu Sang and Boldwin, pursuant to which the Company has agreed to purchase from them, (i) a total of 155,317,008 HKCG Shares at a total consideration of HK$2,883,926,205, being HK$18.568 per HKCG Share, (ii) 7,000,000 HK Ferry Shares at a consideration of HK$53,662,000, being HK$7.666 per HK Ferry Share; and (iii) a total of 40,395,084 HIL Shares at a total consideration of HK$23,105,988, being HK$0.572 per HIL Share. The aggregate consideration of HK$2,960,694,193 payable under the Share Purchase Agreement (I) will be settled in cash on the Completion Date.

On the same date, the Company entered into the Share Purchase Agreement (II) with Sir Po-shing Woo and Fong Fun, pursuant to which the Company agreed to purchase, from them a total of 5,051,000 Miramar Shares at a total consideration of HK$51,095,916, being HK$10.116 per Miramar Share, which will be settled in cash on the Completion Date.

Since (i) Dr. Lee is a Director and both Fu Sang and Boldwin are companies indirectly controlled by the private trusts of the family of Dr. Lee, and (ii) Sir Po-shing Woo is the father of Mr. Woo Ka Biu, Jackson who is a director of Fong Fun and an independent non-executive Director, and Fong Fun is a company beneficially owned by Sir Po-shing Woo and his spouse, all of Dr. Lee, Fu Sang, Boldwin, Sir Po-shing Woo and Fong Fun are connected persons of the Company under the Listing Rules and the entering into of the Share Purchase Agreement (I) and Share Purchase Agreement (II) constitutes connected transactions for the Company under the Listing Rules.

As some of the applicable percentage ratios calculated pursuant to Rule 14A.32 of the Listing Rules in respect of the entering into of the Share Purchase Agreement (I) and the Share Purchase Agreement (II) are more than 0.1% but all are less than 5%, the entering into of each of such agreements is only subject to the reporting and announcement requirements, and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company announces that on 2 October 2013, (i) Dr. Lee, Fu Sang, Boldwin and the Company entered into the Share Purchase Agreement (I) and (ii) Sir Po-shing Woo, Fong Fun and the Company entered into the Share Purchase Agreement (II), the respective major terms of which are as follows:

A) THE SHARE PURCHASE AGREEMENT (I)

Date: 2 October 2013

The Parties

Vendors : Dr. Lee
Fu Sang
Boldwin

Purchaser : the Company

Terms of the Share Purchase Agreement (I)

Pursuant to the Share Purchase Agreement (I), the Company has agreed to purchase, or procure the purchase of, the following shares at the consideration respectively set out below:

In respect of HKCG

Vendors		Number of HKCG Sale Shares	% in the issued share capital of HKCG	Consideration (HK$ million)
Dr. Lee		5,715,362	0.06	106.12
Fu Sang		142,574,801	1.49	2,647.33
Boldwin		7,026,845	0.07	130.48
	Total :	155,317,008	1.62	2,883.93

In respect of HK Ferry

Vendor	Number of HK Ferry Sale Shares	% in the issued share capital of HK Ferry	Consideration (HK$ million)
Dr. Lee	7,000,000	1.96	53.66

In respect of HIL

Vendors		Number of HIL Sale Shares	% in the issued share capital of HIL	Consideration (HK$ million)
Dr. Lee		34,779,936	1.14	19.89
Fu Sang		5,615,148	0.19	3.22
	Total :	40,395,084	1.33	23.11

The consideration has been arrived at after arm's length negotiations between the parties to the Share Purchase Agreement (I) and is calculated by multiplying the relevant number of HKCG Sale Shares, HK Ferry Sale Shares and HIL Sale Shares held by each of the above vendors with the amount which is equal to the average closing prices per share of the HKCG Shares, the HK Ferry Shares and the HIL Shares respectively as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding 1 October 2013, being HK$18.568 per HKCG Share, HK$7.666 per HK Ferry Share and HK$0.572 per HIL Share. The Company shall not be entitled to the right to the 2013 Interim Dividends as the consideration is based on market prices of the relevant shares on an ex-dividend basis.

Completion

Completion of the sale and purchase under the Share Purchase Agreement (I) shall take place on the Completion Date, when the aggregate consideration of HK$2,960,694,193 will be paid in cash. The sale and purchase of each of the HKCG Sale Shares, the HK Ferry Sale Shares and the HIL Sale Shares shall be treated as a separate and independent transaction and not be conditional upon completion of the others. Completion of the Share Purchase Agreement (I) is also not conditional upon completion of the Share Purchase Agreement (II).

B) THE SHARE PURCHASE AGREEMENT (II)

Date: 2 October 2013

The Parties

Vendors : Sir Po-shing Woo
Fong Fun

Purchaser : the Company

Terms of the Share Purchase Agreement (II)

Pursuant to the Share Purchase Agreement (II), the Company has agreed to purchase, or procure the purchase of, the following shares at the consideration respectively set out below:

In respect of Miramar

Vendors	Number of Miramar Sale Shares	% in the issued share capital of Miramar	Consideration (HK$ million)
Sir Po-shing Woo	2,596,000	0.45	26.26
Fong Fun	2,455,000	0.42	24.84
Total :	5,051,000	0.87	51.10

The consideration has been arrived at after arm's length negotiations between the parties to the Share Purchase Agreement (II) and is calculated by multiplying the relevant number of Miramar Sale Shares held by each of the above vendors with the amount which is equal to the average closing prices per share of the Miramar Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding 1 October 2013, being HK$10.116 per Miramar Share. The Company shall not be entitled to the right to the 2013 Miramar Interim Dividends as the consideration is based on the market price of the relevant shares on an ex-dividend basis.

Completion

Completion of the sale and purchase under the Share Purchase Agreement (II) shall take place on the Completion Date, when the aggregate consideration of HK$51,095,916 will be paid in cash. The Share Purchase Agreement (II) is not conditional upon completion of the Share Purchase Agreement (I).

INFORMATION ON HKCG

The principal activities of HKCG and its subsidiaries are the production and distributions of gas in Hong Kong and PRC.

Based on the audited consolidated balance sheet of HKCG (as restated) as at 31 December 2012 and 9,559,670,503 HKCG Shares currently in issue, the net asset value attributable to equity shareholders per HKCG Share was approximately HK$4.73.

The following table shows the audited financial information of HKCG for the two financial years ended 31 December 2011 and 31 December 2012:

	For the financial year ended 31 December	
	2011	2012
	HK$ million	HK$ million
Consolidated net profits before taxation	8,068.70	9,901.40
Consolidated net profits after taxation	6,724.70	8,416.80

So far as the Directors are able to ascertain after making reasonable enquiries, the original purchase costs of the HKCG Sale Shares to the Vendors of the Share Purchase Agreement (I) were approximately HK$133.41 million.

The following table illustrates the respective shareholdings of HKCG held by the following parties immediately before and after the Completion Date:

	% of the issued share capital of HKCG immediately before the Completion Date	% of the issued share capital of HKCG immediately after the Completion Date
Dr. Lee	0.06	-
Fu Sang	1.49	-
Boldwin	0.07	-
The Company	39.88	41.50

INFORMATION ON HK FERRY

The principal activities of HK Ferry and its subsidiaries are property development and investment, ferry and related businesses, travel business and securities investment.

Based on the audited consolidated balance sheet of HK Ferry (as restated) as at 31 December 2012 and 356,273,883 HK Ferry Shares currently in issue, the net asset value attributable to equity shareholders per HK Ferry Share was approximately HK$14.44.

The following table shows the audited financial information of HK Ferry for the two financial years ended 31 December 2011 and 31 December 2012:

	For the financial year ended 31 December	
	2011	2012
	HK$ million	HK$ million
Consolidated net profits before taxation	593.68	435.04
Consolidated net profits after taxation	565.13	398.36

So far as the Directors are able to ascertain after making reasonable enquiries, the original purchase costs of the HK Ferry Sale Shares to the Vendor of the Share Purchase Agreement (I) were approximately HK$11.67 million.

The following table illustrates the respective shareholdings of HK Ferry held by the following parties immediately before and after the Completion Date:

	% of the issued share capital of HK Ferry immediately before the Completion Date	% of the issued share capital of HK Ferry immediately after the Completion Date
Dr. Lee	2.19	0.22 *(note)*
The Company	31.36	33.33 *(note)*

Note: The Company does not acquire from Dr. Lee his entire personal interest in HK Ferry Shares and Dr. Lee will continue to have interest in 799,220 HK Ferry Shares (0.22%) after completion of the sale and purchase under the Share Purchase Agreement (I). The purchase of the entire personal interest of Dr. Lee in HK Ferry would have had the effect of increasing the Company's holding of voting rights of HK Ferry by more than 2% from the lowest percentage holding of the Company in the 12 month period ending on and inclusive of the date of the Share Purchase Agreement (I), thus triggering an obligation to make a general offer for the HK Ferry Shares (other than those shares held by the Company and parties acting in concert with it) under the Takeovers Code.

INFORMATION ON HIL

HIL is an investment holding company and the principal business activities of its subsidiaries are investment holding and infrastructure business.

Based on the audited consolidated balance sheet of HIL as at 31 December 2012 and 3,047,327,395 HIL Shares currently in issue, the net asset value attributable to equity shareholders per HIL Share was approximately HK$0.50.

The following table shows the audited financial information of HIL for the two financial years ended 31 December 2011 and 31 December 2012:

	For the financial year ended 31 December	
	2011	2012
	HK$ million	HK$ million
Consolidated net profits before taxation	234	36
Consolidated net profits after taxation	172	30

So far as the Directors are able to ascertain after making reasonable enquiries, the original purchase costs of the HIL Sale Shares to the Vendors of the Share Purchase Agreement (I) were approximately HK$23.38 million.

The following table illustrates the respective shareholdings of HIL held by the following parties immediately before and after the Completion Date:

	% of the issued share capital of HIL immediately before the Completion Date	% of the issued share capital of HIL immediately after the Completion Date
Dr. Lee	1.14	-
Fu Sang	0.19	-
The Company	67.94	69.27

INFORMATION ON MIRAMAR

The principal activities of Miramar and its subsidiaries are investment holding, property investment, property development and sales, hotel ownership and management, food and beverage operation, travel operation and apparel operation.

Based on the audited consolidated balance sheet of Miramar as at 31 December 2012 and 577,231,252 Miramar Shares currently in issue, the net asset value attributable to equity shareholders per Miramar Share was approximately HK$19.18.

The following table shows the audited financial information of Miramar for the two financial years ended 31 December 2011 and 31 December 2012:

	For the financial year ended 31 December	
	2011	2012
	HK$ million	HK$ million
Consolidated net profits before taxation	1,409.37	1,515.56
Consolidated net profits after taxation	1,328.51	1,407.58

So far as the Directors are able to ascertain after making reasonable enquiries, the original purchase costs of the Miramar Sale Shares to the Vendors of the Share Purchase Agreement (II) were approximately HK$85.10 million.

The following table illustrates the respective shareholdings of Miramar held by the following parties immediately before and after the Completion Date:

	% of the issued share capital of Miramar immediately before the Completion Date	% of the issued share capital of Miramar immediately after the Completion Date
Sir Po-shing Woo	0.45	-
Fong Fun	0.42	-
The Company	44.21	45.08

REASONS FOR AND BENEFITS OF THE SHARE PURCHASE AGREEMENT (I) AND THE SHARE PURCHASE AGREEMENT (II)

The contributions from the Group's existing long-term investments in HKCG, HK Ferry, HIL and Miramar have been proven valuable to the Group. In particular HKCG, being a public utility company, currently provides a substantial stable income to the Group. As such, the transactions which represent a further increase in the equity interest in each of such companies are advantageous to the Group. Given the acquisition of further equity interest in HKCG forming a major part of such transactions, it allows an attractive investment opportunity to the Group at a reasonable cost to increase its stake in HKCG with a pro-rata increase in the share of profits and net asset value of HKCG.

The Board (including the independent non-executive Directors) considers that the terms of each of the Share Purchase Agreement (I) and the Share Purchase Agreement (II) have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since (i) Dr. Lee is a Director and both Fu Sang and Boldwin are companies indirectly controlled by the private trusts of the family of Dr. Lee, and (ii) Sir Po-shing Woo is the father of Mr. Woo Ka Biu, Jackson who is a director of Fong Fun and an independent non-executive Director, and Fong Fun is a company beneficially owned by Sir Po-shing Woo and his spouse, all of Dr. Lee, Fu Sang, Boldwin, Sir Po-shing Woo and Fong Fun are connected persons of the Company under the Listing Rules and the entering into of the Share Purchase Agreement (I) and Share Purchase Agreement (II) constitutes connected transactions for the Company under the Listing Rules.

As some of the applicable percentage ratios calculated pursuant to Rule 14A.32 of the Listing Rules in respect of the entering into of the Share Purchase Agreement (I) and the Share Purchase Agreement (II) are more than 0.1% but all are less than 5%, the entering into of each of such agreements is only subject to the reporting and announcement requirements, and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Dr. Lee and his associates, including Mr. Lee Ka Kit, Mr. Lee Ka Shing, Madam Fung Lee Woon King, Mr. Li Ning and Mr. Lee Tat Man, all being Directors, who were considered to have material interests in the Share Purchase Agreement (I) did not take part in the voting for the approval of the same. In addition, Mr. Woo Ka Biu, Jackson, an independent non-executive Director, who was considered to have material interest in the Share Purchase Agreement (II), did not take part in the voting for the approval of the same.

GENERAL

The Company is an investment holding company and the principal business activities of its subsidiaries are property development and investment, project management, construction, infrastructure, hotel operation, finance, department store operation, and investment holding.

The principal business activity of each of Fu Sang and Boldwin is investment holding.

The principal business activity of Fong Fun is investment holding.

DEFINITIONS

For the purposes of this announcement, capitalized terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

"Board"	the board of Directors
"Boldwin"	Boldwin Enterprises Limited, a limited company incorporated in the British Virgin Islands, a wholly-owned subsidiary of Henderson Development and indirectly controlled by the private trusts of the family of Dr. Lee
"Company"	Henderson Land Development Company Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange

"Completion Date"	in respect of Share Purchase Agreement (I), the second business day following the date of the Share Purchase Agreement (I) (or such other date as the Company and the Vendors of the Share Purchase Agreement (I) may agree) and in any event no later than 15 October 2013 and in respect of Share Purchase Agreement (II), the second business day following the date of the Share Purchase Agreement (II) (or such other date as the Company and the Vendors of the Share Purchase Agreement (II) may agree) and in any event no later than 15 October 2013
"Director(s)"	the director(s) of the Company
"Dr. Lee"	Dr. Lee Shau Kee, the chairman of the Board and an executive Director
"Fong Fun"	Fong Fun Company Limited, a limited company incorporated in Hong Kong and beneficially owned by Sir Po-shing Woo and his spouse
"Fu Sang"	Fu Sang Company Limited, a limited company incorporated in Hong Kong and indirectly controlled by the private trusts of the family of Dr. Lee
"Group"	the Company and its subsidiaries
"Henderson Development"	Henderson Development Limited, a limited company incorporated in Hong Kong, a substantial shareholder of the Company indirectly controlled by the private trusts of the family of Dr. Lee
"HIL"	Henderson Investment Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
"HIL Sale Shares"	an aggregate of 40,395,084 HIL Shares (including all dividends and other distributions declared on or after the Completion Date), representing an aggregate of approximately 1.33% of the total issued share capital of HIL
"HIL Shares"	shares of HK$0.20 each in the share capital of HIL
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong

"HKCG"	The Hong Kong and China Gas Company Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
"HKCG Sale Shares"	an aggregate of 155,317,008 HKCG Shares (including all dividends and other distributions declared on or after the Completion Date), representing an aggregate of approximately 1.62% of the total issued share capital of HKCG
"HKCG Shares"	shares of HK$0.25 each in the share capital of HKCG
"HK Ferry"	Hong Kong Ferry (Holdings) Company Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
"HK Ferry Sale Shares"	7,000,000 HK Ferry Shares (including all dividends and other distributions declared on or after the Completion Date), representing approximately 1.96% of the total issued share capital of HK Ferry
"HK Ferry Shares"	shares of HK$1.00 each in the share capital of HK Ferry
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"2013 Interim Dividends"	the interim dividends for the six months ended 30 June 2013 of HK$0.12 per share from HKCG, HK$0.10 per share from HK Ferry and HK$0.02 per share from HIL paid and payable on HKCG Shares, HK Ferry Shares and HIL Shares respectively
"2013 Miramar Interim Dividends"	the interim dividends of Miramar for the six months ended 30 June 2013 of HK$0.17 per share from Miramar paid or payable on Miramar Shares
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Miramar"	Miramar Hotel and Investment Company, Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
"Miramar Sale Shares"	an aggregate of 5,051,000 Miramar Shares (including all dividends and other distributions declared on or after the Completion Date), representing an aggregate of approximately 0.87% of the total issued share capital of Miramar
"Miramar Shares"	shares of HK$0.70 each in the share capital of Miramar

"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan for the purpose of this announcement
"Shareholder(s)"	the shareholder(s) of the Company
"Share Purchase Agreement (I)"	a sale and purchase agreement dated 2 October 2013 and entered into among Dr. Lee, Fu Sang and Boldwin as vendors and the Company as purchaser, pursuant to which Dr. Lee, Fu Sang and Boldwin agreed to sell to the Company the HKCG Sale Shares, Dr. Lee agreed to sell to the Company the HK Ferry Sale Shares and Dr. Lee and Fu Sang agreed to sell to the Company the HIL Sale Shares
"Share Purchase Agreement (II)"	a sale and purchase agreement dated 2 October 2013 and entered into among Sir Po-shing Woo and Fong Fun as vendors and the Company as purchaser, pursuant to which Sir Po-shing Woo and Fong Fun agreed to sell to the Company the Miramar Sale Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
"Vendors of the Share Purchase Agreement (I)"	the vendors under the Share Purchase Agreement (I), being Dr. Lee, Fu Sang and Boldwin or any one or more of them
"Vendors of the Share Purchase Agreement (II) "	the vendors under the Share Purchase Agreement (II), being Sir Po-Shing Woo and Fong Fun
"%"	per cent.

By Order of the Board
Henderson Land Development Company Limited
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 2 October 2013

As at the date of this announcement, the Board 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, Lee King Yue, Fung Lee Woon King, Lau Yum Chuen, Eddie, Li Ning, 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, Poon Chung Kwong, Chung Shui Ming, Timpson and Au Siu Kee, Alexander.