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CHEUNG KONG PROPERTY HOLDINGS LIMITED
長江實業地產有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1113)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 50% INTEREST IN MAPLELEAF DEVELOPMENTS LIMITED

The Board announces that on 26 October 2016, HPL and Chinex (each an indirect wholly-owned subsidiary of the Company) and Champ (a direct wholly-owned subsidiary of LKSOF) (as the Sellers), the Purchaser, the Company (as seller guarantor for HPL and Chinex) and LKSOF (as seller guarantor for Champ) entered into a sale and purchase agreement in relation to the sale of the entire issued share capital of Mapleleaf Developments. Completion of the Disposal depends on the fulfilment of certain terms and conditions under the Sale and Purchase Agreement (as described below).

HPL, Chinex and Champ own 25%, 25% and 50%, respectively, of the issued share capital of Mapleleaf Developments. Mapleleaf Developments indirectly owns HWPSLL, which owns the Property.

The Consideration for the Disposal will be an amount (in RMB) determined by taking the agreed value of the Property at RMB20 billion (approximately HK\$23 billion) and deducting the Onshore Vendor Financing Principal Amount and adjusting for the net current asset/liability value of Mapleleaf Developments (on a consolidated basis), as further described below. The Consideration will be apportioned among the Sellers in accordance with their respective holdings of Sale Shares. Accordingly, HPL and Chinex will receive in aggregate 50% of the Consideration.

Completion of the Disposal will occur in two stages. Handover Completion will occur on the Handover Completion Date at which: (i) the Consideration, other than the Withheld Amount, will be paid (through the Deposit paid upon the signing of the Sale and Purchase Agreement and the Offshore Vendor Financing and the balance in cash in US\$) by the Purchaser to the Sellers; and (ii) control over the Property and over the operations and management of, and all business risk relating, to the Target Group (including control over their respective boards) will pass to the Purchaser, so that the Purchaser shall enjoy the economic risk and reward in the Target Group and the Property from Handover Completion. Share Completion is currently expected to take place in or about 2017/2018, at which legal title to the entire issued share capital of Mapleleaf Developments will pass to the Purchaser. The Withheld Amount of approximately US\$148.31 million (approximately HK\$1.15 billion), being the equivalent of RMB1 billion (converted at the Agreed Exchange Rate), will be paid by the Purchaser to the Sellers within six months after the date of Share Completion.

The Sellers will make available from Handover Completion a total of RMB11 billion (approximately HK\$12.65 billion) of Vendor Financing through (i) Onshore Vendor Financing to HWPSLL for at least RMB4 billion (approximately HK\$4.60 billion) and (ii) Offshore Vendor Financing to the Purchaser in US\$ (converted at the Agreed Exchange Rate) for the balance. The Sellers will also separately make available the Working Capital Facility of RMB300 million (approximately HK\$345 million) to HWPSLL for working capital purposes. The Vendor Financing and the Working Capital Facility will be apportioned among the Sellers in accordance with their respective holdings of Sale Shares. Accordingly, the Company will indirectly bear in aggregate 50% of the Vendor Financing and the Working Capital Facility.

The Disposal together with the Working Capital Facility will constitute a discloseable transaction for the Company and is subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

The Purchaser Parent is an indirect substantial shareholder of an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. As such, the Purchaser Parent and the Purchaser are not regarded as connected persons of the Company by virtue of the Purchaser Parent's indirect shareholding interests in the insignificant subsidiary. Save for the indirect shareholding interest of the Purchaser Parent in the insignificant subsidiary of the Company as mentioned above, the Purchaser Parent and the Purchaser are regarded as third parties independent of the Company and connected persons of the Company and the Disposal does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As completion of the Disposal depends on the fulfilment of certain terms and conditions under the Sale and Purchase Agreement, there remains the possibility that the Disposal may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

1. INTRODUCTION

The Board announces that on 26 October 2016, HPL and Chinex (each an indirect wholly-owned subsidiary of the Company) and Champ (a direct wholly-owned subsidiary of LKSOF) (together, the “**Sellers**”), the Purchaser, the Company (as seller guarantor for HPL and Chinex) and LKSOF (as seller guarantor for Champ) entered into a sale and purchase agreement in relation to the Disposal (“**Sale and Purchase Agreement**”).

2. SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

(a) Transaction

The Sellers have agreed to sell their respective shareholding interest in, and the Purchaser has agreed to purchase, the entire issued share capital of Mapleleaf Developments (the “**Sale Shares**”). HPL, Chinex and Champ own 25%, 25% and 50% of the Sale Shares, respectively (the “**Disposal**”).

(b) Completion

Completion of the Disposal will occur in two stages. Handover Completion will occur on the Handover Completion Date, at which control over the Property and over the operations and management of, and all business risk relating, to the Target Group (including control over their respective boards) will pass to the Purchaser, so that the Purchaser shall enjoy the economic risk and reward in the Target Group and the Property from Handover Completion. Share Completion is currently expect to take place in or about 2017/2018, at which legal title to the entire issued share capital of Mapleleaf Developments will pass to the Purchaser.

Each of Handover Completion and Share Completion depends on the fulfilment of certain terms and conditions under the Sale and Purchase Agreement. This includes, on Handover Completion, delivery by the Sellers and the Purchaser to each other of closing deliverables and deliverables for Vendor Financing and, on Share Completion, delivery by the Sellers to the Purchaser of marketable title to the Property. If Share Completion does not take place on or before the Long-stop Date, the Sellers will then return to the Purchaser the Deposit, the Remaining Handover Completion Balance and the NCAV Adjustment Payment (as applicable) and will reimburse the Purchaser for certain amounts incurred by or on behalf of the Purchaser in relation to the Target Group and the Property and will pay an amount to the Purchaser representing the return on its investment in relation to, among other things, the Deposit, the Target Group and the Property in accordance with the terms of the Sale and Purchase Agreement. The Purchaser will return to the Sellers control over the Target Group and the Property.

(c) Consideration

The consideration for the Disposal (the “**Consideration**”) will be an amount (in RMB) determined by taking the agreed value of the Property at RMB20 billion (approximately HK\$23 billion) and adjusting for the following:

- (i) deducting the amount of the Onshore Vendor Financing Principal Amount; and
- (ii) adding or deducting (as the case may be) the pro forma adjusted net current asset/liability value of Mapleleaf Developments (on a consolidated basis) at the end of the day immediately preceding the date of Handover Completion; and
- (iii) adding or deducting (as the case may be) the difference between the pro forma and actual adjusted net current asset/liability value of Mapleleaf Developments (on a consolidated basis) (the “**NCAV Adjustment Payment**”) within 21 Business Days after the adjusted net current asset/liability value (on a consolidated basis) has been finally agreed or determined after Handover Completion.

The Consideration will be apportioned among the Sellers in accordance with their respective holdings of Sale Shares. Accordingly, HPL and Chinex will receive in aggregate 50% of the Consideration.

The initial Consideration for the Disposal (the “**Initial Consideration**”), being the amount resulting from (i) and (ii) above, is estimated to be approximately RMB15.30 billion (approximately HK\$17.60 billion) based on the currently anticipated amount of the Onshore Vendor Financing Principal Amount and the anticipated adjusted net current asset value of Mapleleaf Developments (on a consolidated basis).

The Consideration will be settled as follows:

- (1) an amount equal to US\$444.92 million (approximately HK\$3.45 billion) (the “**Deposit**”), being the equivalent of RMB3 billion (converted at the Agreed Exchange Rate), has been paid by the Purchaser to the Sellers in cash upon the signing of the Sale and Purchase Agreement as a deposit. The Deposit will be applied as part payment of the Consideration on Handover Completion;

- (2) an amount equal to the US\$ equivalent of the balance remaining after deducting from the Initial Consideration the total of the Deposit and the Withheld Amount (the “**Handover Completion Amount**”) will be paid by the Purchaser to the Sellers on Handover Completion as follows:
- (A) an amount in US\$ equal to the Offshore Vendor Financing Principal Amount will be paid by the Purchaser to the Sellers upon the Sellers advancing the Offshore Vendor Financing Principal Amount to the Purchaser on Handover Completion which will be applied as part payment of the Handover Completion Amount; and
 - (B) an amount in US\$, converted at the Agreed Exchange Rate, equal to the balance of the Handover Completion Amount (being the balance in RMB remaining after deducting the RMB equivalent of the Offshore Vendor Financing Principal Amount from the Handover Completion Amount) (the “**Remaining Handover Completion Balance**”) will be paid in cash by the Purchaser to the Sellers; and
- (3) an amount equal to US\$148.31 million (approximately HK\$1.15 billion) (the “**Withheld Amount**”), being the equivalent of RMB1 billion (converted at the Agreed Exchange Rate), will be paid in cash by the Purchaser to the Sellers on or before the date which is six months after the date of Share Completion.

For the purpose of the consideration payments under the Sale and Purchase Agreement, the Sellers and the Purchaser have agreed an exchange rate of RMB6.7428=US\$1, which is based on the exchange rate on 17 October 2016 (the “**Agreed Exchange Rate**”).

The Consideration was determined based on arm’s length negotiations between the Sellers and the Purchaser after taking into account recent market transactions and the prevailing market conditions in Shanghai and the PRC.

(d) Guarantees

The Company has agreed to severally guarantee the payment and other obligations of HPL and Chinex and LKSOF has agreed to severally guarantee the payment and other obligations of Champ under the Sale and Purchase Agreement.

(e) Obligations and Liabilities of the Sellers

The obligations and liabilities of the Sellers under the Sale and Purchase Agreement are several (and not joint and several).

(f) Undertakings

The Sellers have agreed to undertake certain obligations for the purpose of meeting certain construction and title requirements in relation to the Property, on which basis the Consideration was reached. These include making related applications and payment of all land and development costs in relation to the Property (including a defect liability period of 18 months after the date of Handover Completion). In addition, the Sellers have agreed to remain responsible for the conduct, and (if relevant) the settlement, of certain proceedings including any proceedings involving any Target Group company that arise in relation to construction contracts or development activities in relation to the Property.

(g) Circumstances where the Disposal may not proceed

In addition to the fulfilment of certain terms and conditions described in section 2(b) above, the Disposal may also not proceed under certain circumstances, including the following:

(i) Prior to Handover Completion

The Disposal may not proceed if, among other things, during the period prior to Handover Completion: (1) the entire Property or a material part thereof has been damaged or destroyed or has become a dangerous building according to the assessment by the relevant PRC governmental authority or has become inaccessible and the situation described above has not come to an end before Handover Completion; or (2) the entire Property or a material part thereof has been closed down by or normal business operation therein has been prevented by the action of relevant PRC governmental authorities and the situation described above has not come to an end before Handover Completion; or (3) any compulsory acquisition or resumption of the entire Property or a material part of the Property occurs or is undertaken and such compulsory acquisition or resumption has not been terminated, cancelled, annulled or given up before Handover Completion.

For the above purpose, a “**material part of the Property**” means such part(s) of the Property which has/have a total lettable area of 20% or more of the total lettable area of the Property.

If the Disposal does not proceed as described above, the Sellers will return to the Purchaser the Deposit together with interest accrued thereon at an agreed market rate and will reimburse the Purchaser for certain other amounts incurred by or on behalf of the Purchaser in relation to the Disposal, the Target Group and the Property.

(ii) At and after Handover Completion

Either the Sellers or the Purchaser may decide not to proceed with the Disposal in accordance with the terms of the Sale and Purchase Agreement if the Purchaser or the Sellers do not comply with their respective material obligations at Handover Completion. If the decision is made by the Sellers due to the Purchaser’s breach of its obligations, the Deposit together with all, if any, interest accrued thereon will be forfeited and retained by the Sellers. If the decision is made by the Purchaser due to Sellers’ breach of their obligations, the Sellers will, among other things, return to the Purchaser the Deposit together with interest accrued thereon at an agreed market rate and pay other costs and expenses that the Purchaser has incurred.

During the period from Handover Completion until Share Completion (the “**Post-Handover Period**”), the Sellers may decide not to proceed with the Disposal if an acceleration of the Offshore Vendor Financing has occurred following an event of default on the part of the Purchaser under the loan agreement to be entered into between the Sellers and the Purchaser in relation to the Offshore Vendor Financing. In this case, the Purchaser will return control over the Target Group and the Property to the Sellers, but the Sellers will not be required to return any part of the Consideration to the Purchaser.

The Sellers would then use all reasonable endeavours to sell the Target Group together with the Property on arm’s length terms and will pay to the Purchaser the net proceeds actually received from such sale after ensuring repayment of all amounts due under the Onshore Vendor Financing and deducting all expenses incurred in connection with the sale, amounts due under the Offshore Vendor Financing, the Withheld Amount and retaining any amounts in respect of any contingent liabilities in connection with the sale.

3. VENDOR FINANCING

The Sellers have agreed to provide or make available offshore financing to the Purchaser (the “**Offshore Vendor Financing**”) and onshore financing to HWPSLL (the “**Onshore Vendor Financing**”, and together with the Offshore Vendor Financing the “**Vendor Financing**”) on Handover Completion for a total amount of RMB11 billion (approximately HK\$12.65 billion) (the “**Vendor Financing Amount**”). The Vendor Financing will be apportioned among the Sellers in accordance with their respective holdings of Sale Shares. Accordingly, the Company will indirectly bear 50% of the Vendor Financing.

The purpose of the Onshore Vendor Financing is to enable HWPSLL to repay certain existing entrustment loans, including entrustment loans made available from affiliates of the Sellers to HWPSLL. The purpose of the Offshore Vendor Financing is for financing part of the Consideration payable by the Purchaser on Handover Completion.

The Onshore Vendor Financing and Offshore Vendor Financing are repayable on whichever is the latest of: (i) 32 months after the date of Handover Completion; (ii) six months after the date of Share Completion; and (iii) if the Disposal does not proceed on or before the Long-stop Date, in accordance with the terms of the Sale and Purchase Agreement. Within 30 days after the date of Share Completion, the Purchaser will repay in aggregate an amount of US\$148.31 million (approximately HK\$1.15 billion), being equal to at least RMB1 billion (converted at the Agreed Exchange Rate), of the Offshore Vendor Financing.

The Offshore Vendor Financing bears interest at the rate of LIBOR + 200 bps per annum (increasing to LIBOR + 350 bps after the date of Share Completion) and the Onshore Vendor Financing bears interest at the rate equal to the People’s Bank of China base interest rate x 118% per annum. Interest payments in each case have to be made quarterly to the extent (in the case of the Offshore Vendor Financing) the dividend, distribution or other payment received by the Purchaser from Mapleleaf Developments or HK Co or (in the case of the Onshore Vendor Financing) the net operating income arising in HWPSLL from operation of the Property, and in each case (as the case may be) adjusted for operating and capital expenditure needs, is sufficient to service such interest and any unpaid interest will be capitalised to the relevant principal amount outstanding under the relevant Vendor Financing.

As security for the Vendor Financing, the Sellers will retain legal title over the Sale Shares, and the share certificates relating to the Sale Shares and the issued shares in HK Co will be put into escrow from Handover Completion to Share Completion. Following Share Completion and until repayment of the relevant Vendor Financing, security over the Sale Shares, the shares in HK Co, and all of the equity interests in HWPSLL, as well as an onshore mortgage over the Property, will be granted for the benefit of the lenders under the relevant Vendor Financing.

4. WORKING CAPITAL FACILITY

The Sellers will also separately make available to HWPSLL an onshore facility of RMB300 million (approximately HK\$345 million) on Handover Completion for its working capital purposes (the “**Working Capital Facility**”). The Working Capital Facility will be apportioned among the Sellers in accordance with their respective holdings of Sale Shares. Accordingly, the Company will indirectly bear 50% of the Working Capital Facility.

The Working Capital Facility is repayable on the earlier of (a) the third anniversary from the first drawdown under the Working Capital Facility and (b) the due date for the repayment of the Onshore Vendor Financing.

The Working Capital Facility bears interest at the rate equal to the People's Bank of China base interest rate x 130% per annum. Interest payments have to be made quarterly and any unpaid interest is capitalised to the principal amount outstanding. The Working Capital Facility is unsecured.

5. INFORMATION ON THE TARGET GROUP AND THE PROPERTY

(a) Information on the Target Group

Mapleleaf Developments is an investment holding company which owns the entire issued share capital of HK Co. Mapleleaf Developments (through its indirectly wholly-owned subsidiary HWPSLL) owns the Property, as well as the Land Use Right.

HK Co is an investment holding company which owns the entire registered capital of the HWPSLL and is principally engaged in the provision of service to HWPSLL and affiliates.

HWPSLL is the developer of the Property and is a wholly foreign owned enterprise established in the PRC with limited liability. The business scope of HWPSLL is development, operation and property management of the office and mall in respect of the Property.

(b) Financial information of the Target Group

The unaudited net asset value of Mapleleaf Developments as at 30 June 2016 was approximately HK\$2.90 billion. The unaudited net asset value of HK Co as at 30 June 2016 was approximately HK\$761.4 million. The unaudited net asset value of HWPSLL as at 30 June 2016 was approximately RMB2.78 billion (approximately HK\$3.2 billion).

The unaudited losses before and after taxation of Mapleleaf Developments for the years ended 31 December 2014 and 2015 are set out below:

| | For the year ended 31 December | |
|-------------------|---------------------------------------|-------------------------|
| | 2014 (HK\$ '000) | 2015 (HK\$ '000) |
| (Loss) before tax | (55.10) | (3,059.18) |
| (Loss) after tax | (55.10) | (3,059.18) |

The audited profits before and after taxation of HK Co for the years ended 31 December 2014 and 2015 are set out below:

| | For the year ended 31 December | |
|--------------------------|---------------------------------------|-------------------------|
| | 2014 (HK\$ '000) | 2015 (HK\$ '000) |
| Profit/(loss) before tax | 35.19 | (123.02) |
| Profit/(loss) after tax | 35.19 | (123.02) |

The audited losses before and after taxation of HWPSLL for the years ended 31 December 2014 and 2015 are set out below:

| | For the year ended 31 December | |
|-------------------|---------------------------------------|------------------------|
| | 2014 (RMB '000) | 2015 (RMB '000) |
| (Loss) before tax | (26,898.35) | (41,548.80) |
| (Loss) after tax | (20,173.76) | (42,720.86) |

(c) Information on the Property

The Property is for commercial, office, cultural and other integrated use. Construction of the Property has been completed (and the building completion certificates have been obtained) and it is currently in the process of being fitted out.

6. REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

The Board considers that the Disposal enables the Company to realise its investment in the Target Group and the Property. Completion of the Disposal depends on the fulfilment of certain terms and conditions under the Sale and Purchase Agreement, as set out in section 2(b) above.

The Board expects that the Group will record an unaudited gain of approximately HK\$6.22 billion, representing the difference between the Consideration and the estimated carrying amount of the Group's interest in the Target Group and after taking into account any transaction costs, relevant taxes and any claims and other liabilities required to be borne by the Group pursuant to the Sale and Purchase Agreement. The actual gain that the Group is able to realise will depend on the final sums of the actual carrying amount of its interest in the Target Group and the actual amounts of costs, claims and other liabilities borne by the Group. The net proceeds from the disposal are intended to be used by the Group as general working capital.

The Board considers the terms of the Sale and Purchase Agreement (including the Vendor Financing and Working Capital Facility) to be on normal commercial terms and to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as set out and calculated under Rule 14.07 of the Listing Rules) in relation to the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

The ultimate parent company of the Purchaser (the "**Purchaser Parent**") is an indirect substantial shareholder of an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. As such, the Purchaser Parent and the Purchaser are not regarded as connected persons of the Company by virtue of the Purchaser Parent's indirect shareholding interests in the insignificant subsidiary. Save for the indirect shareholding interest of the Purchaser Parent in the insignificant subsidiary of the Company as mentioned above, the Purchaser Parent and the Purchaser are regarded as third parties independent of the Company and connected persons of the Company and the Disposal does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

8. GENERAL

(a) Information on the Group

The Group is one of Hong Kong's largest property developers with a leading market share in Hong Kong, strong penetration in the PRC and an international presence through its operations in Singapore and the United Kingdom. The Group has diverse capabilities with principal activities encompassing property development and investment, hotel and serviced suite operation and property and project management.

(b) Information on the Sellers

Each of the Sellers is principally engaged in investment holding.

(c) Information on LKSOF

LKSOF is a charitable organisation established by Mr. Li Ka-shing to nurture a culture of giving and to co-ordinate donations towards educational, healthcare, cultural and community welfare projects. LKSOF makes selective investment in quality projects from time to time to increase capital return for its charitable objectives.

(d) Information on the Purchaser

The Purchaser is a special purpose vehicle set up specifically to undertake the acquisition of Mapleleaf Developments. The Purchaser will be managed by ARA Fund Management (Mapleleaf) Limited (a wholly-owned subsidiary of ARA Asset Management Limited). ARA Asset Management Limited is a real estate fund management company listed on the main board of the Singapore Stock Exchange.

The Purchaser is majority owned by an established insurer (which is the Purchaser Parent), with the remaining minority stake indirectly held by Peninsula Investment Partners, L.P. ("**PIP**") and Peninsula Co-Investment Holdings I (Century), L.P. ("**PIP Co-invest**"). PIP and PIP Co-invest are closed-end funds managed by ARA Asset Management Limited. PIP has a mandate to invest in real estate assets across Asia-Pacific, including Australia, China, Hong Kong, Japan and Singapore while PIP Co-invest has a mandate to invest in the Property only.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and of its connected persons.

As completion of the Disposal depends on the fulfilment of certain terms and conditions under the Sale and Purchase Agreement, there remains the possibility that the Disposal may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

9. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

"Board" the board of Directors;

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| “Business Day” or “Business Days” | a day (other than a Saturday, Sunday or public holiday in Hong Kong, the PRC, New York, Singapore, the Cayman Islands or the British Virgin Islands or any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 am and 5:00 pm) on which banks are open in Hong Kong, the PRC, New York, Singapore, the Cayman Islands and the British Virgin Islands for general commercial business and dealings in inter-bank deposits and payments can take place; |
| “Champ” | Champ Elite Group Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of LKSOFF; |
| “Chinex” | Chinex Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “Company” | Cheung Kong Property Holdings Limited (stock code: 1113), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Handover Completion” | completion of the handover of control over Mapleleaf Developments, HK Co and HWPSLL and the Property in accordance with the terms of the Sale and Purchase Agreement; |
| “Handover Completion Date” | (a) 12 December 2016; or (b) such date as postponed or extended in accordance with the terms of the Sale and Purchase Agreement; or (c) such other date as the Sellers and the Purchaser may agree in writing; |
| “HK Co” | Mapleleaf Developments (HK) Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Mapleleaf Developments; |
| “HK dollar” or “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “HPL” | HPL Property Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “HWPSLL” | Hutchison Whampoa Properties (Shanghai) Lujiazui Limited (和記黃埔地產（上海）陸家嘴有限公司), a company incorporated in the PRC as a wholly foreign owned enterprise; |

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| “Land Use Right” | the state owned construction land use right (國有建設用地使用權) in respect of the plot of land known as Weifang Xincun Subdistrict 288 Jiefang 1/2 Qiu, Pudong New District, Shanghai (上海浦東新區滌坊新村街道288街坊1/2丘); |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “LKSOFF” | Li Ka Shing (Overseas) Foundation, a company limited by guarantee and incorporated in the Cayman Islands; |
| “Long-stop Date” | the date falling eight years from the date of Handover Completion; |
| “Mapleleaf Developments” | Mapleleaf Developments Limited, a company incorporated in the British Virgin Islands with limited liability; |
| “Offshore Vendor Financing Principal Amount” | the US\$ equivalent of the balance remaining, converted at the Agreed Exchange Rate, after deducting the Onshore Vendor Financing Principal Amount from the Vendor Financing Amount; |
| “Onshore Vendor Financing Principal Amount” | an amount in RMB to be determined by the Sellers and notified (in writing) by the Sellers to the Purchaser before Handover Completion which shall not be less than RMB4 billion (approximately HK\$4.60 billion); |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement and, except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan; |
| “Property” | the property development known as Century Link (世紀匯廣場) located at Pudong New District, Shanghai, the PRC, which is owned and constructed by HWPSLL; |
| “Purchaser” | Mapleleaf Century Limited, a company incorporated in the British Virgin Islands with limited liability; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Share Completion” | when legal title to the Sale Shares will pass to the Purchaser; |
| “Shareholders” | holders of Shares; |
| “Shares” | ordinary shares in the capital of the Company with a nominal value of HK\$1.00 each; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Target Group” | Mapleleaf Developments, HK Co and HWPSLL; and |
| “%” | per cent. |

In this announcement, RMB has been converted to HK\$ at the rate of RMB1=HK\$1.15, save as otherwise stated. Such conversion is for illustration purpose only. No representation is made that the RMB amounts have been or could have been or could be converted into HK\$, or vice versa, at such rate or at any other rates on any relevant dates.

The English names of companies incorporated in the PRC are translations of their Chinese names and are included for identification purposes only.

By Order of the Board
CHEUNG KONG PROPERTY HOLDINGS LIMITED
Eirene Yeung
Company Secretary

Hong Kong, 26 October 2016

The Directors of the Company as at the date of this announcement are Mr. LI Ka-shing (*Chairman*), Mr. LI Tzar Kuoi, Victor (*Managing Director and Deputy Chairman*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Mr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. Simon MURRAY and Mr. YEH Yuan Chang, Anthony as Independent Non-executive Directors.