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HYSAN DEVELOPMENT COMPANY LIMITED

希慎興業有限公司

(Incorporated under Hong Kong Companies Ordinance, Cap. 32 with limited liability)

(Stock Code: 00014)

<p>FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2003 OPTION TO RECEIVE SHARES IN LIEU OF CASH DIVIDEND CALCULATION OF MARKET VALUE</p>
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At the Annual General Meeting of Shareholders of the Company held on 11 May 2004, an ordinary resolution had been passed to declare a final dividend of HK26.5 cents per ordinary share in the capital of the Company (each as a “Share”), payable to shareholders whose names appeared on the Register of Members on that day. Eligible shareholders may elect to receive such dividend in the form of cash or in the form of new shares, or a combination of these.

The number of new shares of par value HK\$5.00 each (“New Shares”) to be allotted to shareholders who elect to receive their dividends in scrip is calculated by dividing the total amount of the cash dividend which each of them would otherwise have been entitled to receive by the market value of a New Share (the “Market Value”).

The Market Value has been determined to be HK\$11.91, being the average of the closing prices of the Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) for the last five consecutive Stock Exchange dealing days commencing Wednesday, 5 May 2004 (the first day the shares traded ex dividend).

The formula used for calculating the entitlement is as follows:

Number of shares held as at 11 May 2004 x HK\$0.265 = Maximum dividend available

$$\frac{\text{Maximum dividend available}}{\text{HK\$11.91}} = \text{maximum number of New Shares (rounded down to the nearest whole number)}$$

Application has been made to the Stock Exchange for listing of and permission to deal in the New Shares. A circular to shareholders giving details of the scrip dividend, together with an election form, will be sent to eligible shareholders (excluding shareholders whose registered addresses are situated in the United States or any of its territories or possessions or Canada who will only receive the circular) on or about Tuesday, 18 May 2004. Shareholders who wish to receive, in lieu of the cash dividend, in whole or in part, an allotment of New Shares should complete and sign the form of election and return it to the Share Registrars and Transfer office of the Company, Standard Registrars Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on

Monday, 7 June 2004. It is expected that cheques for cash entitlements and/or (subject to such application being granted) definitive share certificates for the New Shares will be posted to shareholders at their risks on or about Friday, 11 June 2004 on which dealings of the New Shares will commence (subject to the proper receipt of share certificates for the New Shares by the relevant shareholders of the Company).

As at the date of this announcement, the executive Directors of the Company are Mr. Peter Ting Chang Lee (*Chairman*), Mr. Michael Tze Hau Lee (*Managing Director*), Mrs. Pauline Wah Ling Yu Wong (*Director, Property*); the non-executive Directors are Mr. Fa-kuang Hu, Mr. Hans Michael Jebsen, Mr. Anthony Hsien Pin Lee, Mr. Chien Lee and Dr. Deanna Ruth Tak Yung Rudgard; and the Independent non-executive Directors are Sir David Akers-Jones (*Deputy Chairman*), Mr. Per Jorgensen and Dr. Geoffrey Meou-tsen Yeh.

By order of the Board
Wendy W.Y. Yung
Company Secretary

Hong Kong, 11 May 2004

Please also refer to the published version of this announcement in South China Morning Post.