
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hysan Development Company Limited 希慎興業有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other material facts not contained herein the omission of which would make any statement contained in this circular misleading.

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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)

**NOTICE OF ANNUAL GENERAL MEETING
AND
PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES**

A notice convening the AGM to be held at Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 14 May 2008 at 12:00 noon is set out on pages 2 to 4 of this circular.

Whether or not you intend to attend the AGM, you are advised to read this circular and to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office at 49th Floor, Manulife Plaza, The Lee Gardens, 33 Hysan Avenue, Hong Kong or to the Company's Registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

31 March 2008

TABLE OF CONTENTS

Invitation to Shareholders	1
Notice of Annual General Meeting	2
Voting Information: Frequently Asked Questions and Answers	5
Business of the Meeting and Board Recommendations	7
Information on Directors Proposed to be Re-elected	9
Explanatory Statement on the Share Repurchase Mandate	12
Definitions	15

INVITATION TO SHAREHOLDERS



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)

Chairman

Peter Ting Chang Lee

Independent non-executive Deputy Chairman

Sir David Akers-Jones

Independent non-executive Directors

Tom Behrens-Sorensen

Fa-kuang Hu

Dr. Geoffrey Meou-tsen Yeh

Non-executive Directors

Hans Michael Jebson

Anthony Hsien Pin Lee

Chien Lee

Dr. Deanna Ruth Tak Yung Rudgard

Executive Director

Pauline Wah Ling Yu Wong

Registered Office:

49th Floor

Manulife Plaza

The Lee Gardens

33 Hysan Avenue

Hong Kong

31 March 2008

Dear Shareholder(s),

On behalf of the Board and management, we invite you to attend Hysan Development Company Limited's Annual General Meeting to be held on Wednesday, 14 May 2008. Detailed explanation on the business to be considered at the Meeting, together with Board Recommendations on the proposed resolutions, are set out in this circular.

The Board has approved the appointment of Mr. Ricky Tin For Tsang and Ms. Wendy Wen Yee Yung as Executive Directors effective 1 April 2008. They will stand for re-election in this Annual General Meeting.

We aim to continually enhance our corporate governance practices, including the quality of our reporting and communications with our shareholders.

We regard annual general meetings as one of the principal channels to communicate with our shareholders. We look forward to seeing you at the Meeting. If you are unable to attend the Meeting in person, we encourage you to appoint a proxy to attend and vote on your behalf.

Yours faithfully,
Peter Ting Chang Lee
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the members of Hysan Development Company Limited 希慎興業有限公司 (the “**Company**”) will be held at Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 14 May 2008 at 12:00 noon for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31 December 2007 together with the Reports of Directors and Auditor thereon.
2. To declare a final dividend (together with a scrip alternative) for the year ended 31 December 2007.
3. To re-elect Directors.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. **“That:**
 - (a) subject to paragraph (c), a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares in the Company and to make or grant offers, agreements, options, warrants or other securities which would or might require the exercise of such powers;
 - (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and other securities which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to a share option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) Rights Issue, or (ii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares of the Company or (iii) any scrip dividend or similar arrangement pursuant to the Articles of Association of the Company from time to time, shall not exceed 10% where the shares are to be allotted wholly for cash, and in any event 20%, of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said mandate shall be limited accordingly;
 - (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the members in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“That:**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period all the powers of the Company to purchase or otherwise acquire shares of HK\$5.00 each in the capital of the Company in accordance with all applicable laws and the requirements of the Listing Rules, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said mandate shall be limited accordingly.

- (b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the members in general meeting.”

By Order of the Board
Wendy Wen Yee Yung
Company Secretary

Hong Kong, 31 March 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. The proxy need not be a member of the Company.
2. In order to be valid, a form of proxy must be deposited at the Company's registered office at 49th Floor, Manulife Plaza, The Lee Gardens, 33 Hysan Avenue, Hong Kong or at the Company's Registrar, Tricor Standard Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the Meeting.
3. The register of members will be closed from Friday, 9 May 2008 to Wednesday, 14 May 2008, both days inclusive. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Thursday, 8 May 2008.
4. Further information on voting procedures are set out in the section "Voting Information: Frequently Asked Questions and Answers" in the circular to be sent to shareholders (the "**Circular**").
5. Detailed information on the businesses to be transacted at the Annual General Meeting (the "**AGM**") are set out in the section "Business of the Meeting and Board Recommendations" of the Circular.
6. At the AGM, the Chairman of the Meeting will exercise his power under Article 78 of the Articles of Association of the Company to put each of the resolutions set out in this notice to be voted by way of poll. On a poll, every member present in person (or in the case of a corporation by its corporate representative) or by proxy shall have one vote for each share of any class of which he is the holder.

As at the date of this notice, the Board of Directors comprises (Chairman) Peter Ting Chang Lee; (Independent non-executive Deputy Chairman) Sir David Akers-Jones; (Independent non-executive Directors) Tom Behrens-Sorensen, Fa-kuang Hu and Dr. Geoffrey Meou-tsen Yeh; (Non-executive Directors) Hans Michael Jebsen, Anthony Hsien Pin Lee, Chien Lee and Dr. Deanna Ruth Tak Yung Rudgard; and (Executive Director) Pauline Wah Ling Yu Wong.

VOTING INFORMATION: FREQUENTLY ASKED QUESTIONS AND ANSWERS

Your vote is important, and you can exercise your right to vote whether you choose to attend the AGM or not. Find out how below:

Q. Am I entitled to vote?

A. You are entitled to vote if you are a registered holder of Shares of Hysan Development Company Limited as of 14 May 2008 (the date of AGM).

The register of members will be closed from Friday, 9 May to Wednesday, 14 May 2008, both days inclusive. If you have recently purchased the Shares, you must deliver to Tricor Standard Limited the share certificates, share transfer form or relevant evidence to establish that you own the Shares no later than 4:00 p.m. on Thursday, 8 May 2008.

Q. What am I voting on?

A. You are voting on the resolutions as set out in the Notice of AGM on pages 2 to 4, and “Business of the Meeting and Board Recommendations” on pages 7 to 8 of this circular.

Q. How can I vote?

A. 1. Attending the AGM

You are entitled to attend the AGM and cast your vote in person. To vote shares registered in the name of a corporation, the corporation must have submitted a properly executed form of proxy or corporate representative authorisation to the Company.

2. By Proxy

If you do not plan to attend the AGM, you may cast your vote by proxy in one of the two ways. **Your proxy must vote as you instruct in the form of proxy:**

(a) You may authorise the Chairman of the Company named in the form of proxy to vote your shares. Please indicate how you would like your shares voted.

(b) You may appoint some other person to attend the AGM and vote your shares on your behalf. Please print your appointee’s name in the blank space on the form of proxy and indicate how you would like your shares voted. A proxy need not be a shareholder of the Company.

Q. When shall I return my form of proxy?

A. To be valid, the **original** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the same, must be completed and **returned to the Company’s registered office at 49th Floor, Manulife Plaza, The Lee Gardens, 33 Hysan Avenue, Hong Kong, or to the Company’s Registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the AGM or any adjournment thereof.** Forms of proxy sent electronically or by any other data transmission process will not be accepted.

VOTING INFORMATION: FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q. Who votes my shares and how will they be voted if I return a form of proxy?

- A.** By properly completing and returning a form of proxy, you are authorising the person named in the form of proxy to attend the AGM and to vote your shares. The shares represented by your proxy must be voted as you instruct in the form of proxy. If you properly complete and return your form of proxy but do not specify how you wish to cast your votes, your proxy will vote at his discretion.

Q. Can I revoke a proxy or voting instruction?

- A.** Completion and return of a form of proxy will not preclude a member from attending in person and voting at the AGM should he so wish. Therefore, your attendance at the AGM will override your proxy appointment.

Q. What will be the procedures for demanding a poll?

- A.** **The Chairman of the AGM intends to demand a poll regarding the voting for all the resolutions set out in the Notice of AGM. On a poll, every member present in person (or in the case of a corporation by its corporate representative) or by proxy shall have one vote for each Share of which he is the holder. The results of the voting by poll will be published on the website of the Company and the designated issuer website of the Stock Exchange after market close on the day of the AGM.**

In any event, a poll may be demanded (before or on the declaration of the results of the show of hands):

- (a) by the Chairman; or
- (b) in writing by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) in writing by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) in writing by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Q. What if I have a question?

- A.** If you have any question regarding the AGM, please contact Hysan's Legal and Secretarial Services Department at 2895-5777.

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

RESOLUTION NUMBERED 1 - RECEIVING 2007 FINANCIAL STATEMENTS

The full audited financial statements together with the Reports of Directors and Auditor thereon, are set out on pages 84 to 134, pages 65 to 71 and page 83 of the Annual Report 2007.

The audited financial statements have been reviewed by the Audit Committee. A report of the Audit Committee is set out on pages 79 to 80 of the Annual Report 2007.

RESOLUTION NUMBERED 2 - DECLARATION OF FINAL DIVIDEND

The Board has recommended a final dividend for the year ended 31 December 2007 of HK48 cents per Share. Subject to passing Resolution numbered 2, such final dividend is expected to be paid on or about 18 June 2008, together with a scrip dividend alternative, to shareholders whose names appear on the Company's register of members on 14 May 2008.

A circular containing details of the scrip dividend and the form of election will be sent to shareholders on or about 21 May 2008.

The register of members will be closed from Friday, 9 May 2008 to Wednesday, 14 May 2008, both days inclusive. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Thursday, 8 May 2008.

RESOLUTION NUMBERED 3 - RE-ELECTION OF DIRECTORS

Under Article 114 of the Company's Articles of Association, one-third (or such other number as may be required under applicable legislation) of the Directors; and where the applicable number is not an integral number, to be rounded upwards, who have been longest in office shall retire from office by rotation and may offer themselves for re-election. In this light, Peter Ting Chang Lee, Sir David Akers-Jones and Chien Lee will retire and, being eligible, offer themselves for re-election at the forthcoming AGM. Their proposed re-election will be considered by separate resolutions.

According to Article 97 of the Company's Articles of Association, a Director appointed either to fill a causal vacancy or as an addition to the Board shall hold office only until the next following annual general meeting. In this regard, Tom Behrens-Sorensen, Ricky Tin For Tsang and Wendy Wen Yee Yung will retire and, being eligible, offer themselves for re-election at the forthcoming AGM.

Details of the background information on the retiring Directors who are proposed for re-election are set out on pages 9 to 11 of this circular.

RESOLUTION NUMBERED 4 - RE-APPOINTMENT OF AUDITOR

The Audit Committee has recommended to the Board (which in turn endorsed the view) that, subject to shareholders' approval at the forthcoming AGM, Deloitte Touche Tohmatsu be re-appointed as the external auditor of the Company for 2008.

BUSINESS OF THE MEETING AND BOARD RECOMMENDATIONS

RESOLUTIONS NUMBERED 5 AND 6 - GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 8 May 2007, general mandates under Section 57B of the Companies Ordinance and the Listing Rules were given to the Directors to issue and purchase Shares in the Company. These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution (**Resolution numbered 5**) to give the Directors a general and unconditional mandate to allot, issue and dispose of additional Shares in the Company, not exceeding 10% where the Shares are to be allotted wholly for cash, and in any event 20%, of the Company's issued share capital as at the date of passing the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "**Issue Mandate**"); and
- an ordinary resolution (**Resolution numbered 6**) to give the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase Shares in the Company not exceeding 10% of the Company's issued share capital as at the date of passing the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "**Share Repurchase Mandate**").

The full text of these resolutions is set out in the Notice of AGM. As required under the Listing Rules, an explanatory statement providing the requisite information regarding the Share Repurchase Mandate is set out on pages 12 to 14 of this circular.

The Company's Articles of Association empower Directors to allot unissued shares. Under the Hong Kong Companies Ordinance, a company issuing new equity for cash must offer its shareholders the first opportunity to subscribe for such shares save where the shareholders have granted its (general or specific) approval. The Listing Rules further restrict the maximum number of shares to be allotted as not exceeding 20% of a listed issuer's then issued share capital, without differentiating between cash and non-cash issuances.

The Board noted concerns expressed over cash issuance exercises in the market, particularly as regards the frequency and size of such issuances. The Board aims to strike a balance with business flexibility and the need to raise capital quickly in a cost-effective way which, in turn, enhance the Company's growth.

The Board therefore differentiates between the amount of equity securities to be issued (i) for cash (other than in connection with a rights issue and other exceptions set out in the AGM Notice), to which shareholders' preemptive rights apply; and (ii) for non-cash consideration. This is in line with international best practices.

The amount of equity securities to be issued for cash (other than under the exceptions referred to above) is restricted to 10% of the existing issued ordinary share capital. This is below the limit permitted under the Listing Rules.

The Company has not issued any new Shares pursuant to the Issue Mandate granted in previous general meetings in the past 10 years, other than pursuant to: (i) the scrip dividend alternative; and (ii) the exercise of the options granted under the Company's Share Option Schemes.

The Directors wish to state that they have no immediate plan to issue any new Shares other than relating to scrip dividends and exercise of employee share options as described above.

BOARD RECOMMENDATIONS

The Directors consider that the proposed resolutions as set out in the Notice of AGM, including, among other things, the proposed resolutions in relation to the granting of the Issue Mandate and Share Repurchase Mandate are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend shareholders to vote in favour of the proposed resolutions.

INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

Information on Directors standing for re-election at the AGM is set out below:



	Director since	Board committee memberships	Emoluments received for 2007 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Peter Ting Chang Lee J.P. <i>Chairman</i> Age: 54	1988	Chairman of Nomination Committee; and Member of Investment Committee	5,688,533 (Notes 1(a) and (b))	3,370,708 Shares (Personal interests) and 495,000 options (Personal interests)

Mr. Lee joined the Board in 1988, became Managing Director in 1999, and Chairman in 2001. Mr. Lee is a non-executive director of Cathay Pacific Airways Limited, CLP Holdings Limited, Hang Seng Bank Limited, SCMP Group Limited, Maersk China Limited, and a director of a number of other companies. He is also vice president of the Real Estate Developers Association of Hong Kong. He is a member of the founding Lee family and a director of Lee Hysan Estate Company, Limited, a substantial shareholder of the Company. Mr. Lee holds a Bachelor of Science Degree in Civil Engineering from the University of Manchester and is also qualified as a Solicitor of the Supreme Court of England and Wales.

Mr. Lee received annual director fee of HK\$140,000 as Chairman of the Board and a fee of HK\$50,000 for serving as chairman of the Nomination Committee and as a member of the Investment Committee in 2007. Mr. Lee also received a compensation package of HK\$5,498,533 (which comprises a combination of basic salary, benefits and bonus) and long-term incentives in the form of share option from the Company in 2007.

Save as disclosed above, Mr. Lee has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. There is no other matter that needs to be brought to the attention of the shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.



	Director since	Board committee memberships	Emoluments received for 2007 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
David Akers-Jones G.B.M., K.B.E., C.M.G., J.P. <i>Independent non-executive Deputy Chairman</i> Age: 80	1989	Chairman of Audit Committee and Emoluments Review Committee; and Member of Nomination Committee	230,000 (Notes 1(a) and (b))	Nil

Sir David Akers-Jones is Chairman of GAM Hong Kong Limited, Deputy Chairman of CNT Group Limited and a non-executive director of various other companies. He is also a chairman and member of various voluntary organisations. He received his Master of Arts Degree at Oxford University. He was formerly the Chief Secretary of Hong Kong. He was appointed a Director in 1989 and became the Deputy Chairman in 2001.

Sir David Akers-Jones has confirmed to the Board his independence under Rule 3.13 of the Listing Rules. He has no relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

Sir David Akers-Jones has served the Board for more than 9 years. The Board considers "independence" is a matter of judgment and conscience. A Director is considered independent only where he is free from any business or other relationship that might interfere with the exercise of his independent judgment. Sir David Akers-Jones has clearly demonstrated his willingness to exercise independent judgment and to provide objective challenges to management. There is no evidence that length of tenure is having an adverse impact on his independence. The Board therefore considers that Sir David Akers-Jones remains independent, notwithstanding the length of his tenure.

Sir David Akers-Jones received annual director fee of HK\$120,000 and a fee of HK\$110,000 for serving as chairman of the Audit Committee and Emoluments Review Committee and as a member of the Nomination Committee in 2007.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED



	Director since	Board committee memberships	Emoluments received for 2007 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Tom Behrens-Sorensen <i>Independent non-executive Director</i> Age: 50	2007	Member of Audit Committee	84,767 (Notes 1(a) and (b))	10,000 Shares (Personal interests)

Mr. Behrens-Sorensen is the Group Executive Vice President of A.P. Moller-Maersk Group as well as Chairman of Maersk China Limited. He is also the Chairman of the Danish Chamber of Commerce in China and Chairman of the European Chamber of Commerce in China Transportation Working Group. He has over 20 years of experience with the A.P. Moller - Maersk Group in Asia and Australia. He was appointed as Independent non-executive Director as from the conclusion of 2007 annual general meeting held on 8 May 2007.

Mr. Behrens-Sorensen has confirmed to the Board his independence under Rule 3.13 of the Listing Rules. He has no relationship with any Directors, senior management, substantial or controlling shareholders of the Company. The Board is not aware of any circumstance that might influence Mr. Behrens-Sorensen in exercising independent judgment, and satisfied that he has the required character, integrity, independence and experience to fulfill the role of an Independent non-executive Director.

Mr. Behrens-Sorensen received director fee of HK\$65,205 and a fee of HK\$19,562 for serving as a member of the Audit Committee on a pro-rata basis in 2007.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.



	Director since	Board committee memberships	Emoluments received for 2007 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Chien Lee <i>Non-executive Director</i> Age: 54	1988	Member of Audit Committee	130,000 (Notes 1(a) and (b))	800,000 Shares (Personal interests)

Mr. Lee is a private investor and a non-executive director of a number of companies including Swire Pacific Limited and Television Broadcasts Limited. He is a member of the founding Lee family and a director of Lee Hysan Estate Company, Limited, a substantial shareholder of the Company. Mr. Lee received a Bachelor of Science Degree in Mathematical Science, a Master of Science Degree in Operations Research and a Master of Business Administration Degree from Stanford University. Mr. Lee was appointed a Non-executive Director in 1988.

Mr. Lee received annual director fee of HK\$100,000 and a fee of HK\$30,000 for serving as a member of the Audit Committee in 2007.

Save as disclosed above, Mr. Lee has no relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. There is no other matter that needs to be brought to the attention of the shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED



	Director since	Board committee memberships	Emoluments received for 2007 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Ricky Tin For Tsang <i>Executive Director, Finance</i> <i>(as from 1 April 2008)</i> Age: 46	2008	Nil	N/A (See below for package as Executive Director)	40,000 Shares (Personal interests) and 295,000 options (Personal interests)

Mr. Tsang joined the Group in 2004 and was appointed an Executive Director effective 1 April 2008. He is currently the Chief Financial Officer and director of certain subsidiaries of the Company. Mr. Tsang oversees the areas of financial control and accounting, treasury, corporate finance and institutional investors relations, as well as information technology. He had previously held senior positions in risk management, treasury and financial control with major financial institutions in the United Kingdom and in Hong Kong. Mr. Tsang holds a Masters' Degree in Engineering from Oxford University, United Kingdom. He is also qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales, and is a Fellow of Hong Kong Institute of Certified Public Accountants. He is also a member of the Association of Corporate Treasurers in the United Kingdom.

Mr. Tsang's compensation package as Executive Director effective 1 April 2008 includes a fixed package (including base salary and pensions) of HK\$2,822,500 per annum and he will be entitled to a performance bonus at a level to be approved by the Emoluments Review Committee having regard to the performance of the Group and the individual concerned. He may also be granted long-term incentives in the form of share options. This compensation package is determined having given consideration to the level of responsibility, experience and abilities required of the Director and the remuneration offered for similar positions in comparable companies. He receives no other compensation from the Group.

Mr. Tsang has no relationship with any Directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, there is no other matter that needs to be brought to the attention of the shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.



	Director since	Board committee memberships	Emoluments received for 2007 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Wendy Wen Yee Yung <i>Executive Director</i> <i>(as from 1 April 2008)</i> <i>and Company Secretary</i> Age: 46	2008	Nil	N/A (See below for package as Executive Director)	28,000 Shares (Personal interests) and 301,000 options (Personal interests)

Ms. Yung joined the Group in 1999 and was appointed an Executive Director effective 1 April 2008. She is currently the Company Secretary and Head of Corporate Services Division and director of certain subsidiaries of the Company. Ms. Yung is responsible for the Group's corporate services including legal and secretarial, human resources and administration, as well as corporate communications. A solicitor by training, Ms. Yung was a partner of an international law firm prior to joining the Group. Ms. Yung holds a Master of Arts Degree from Oxford University, United Kingdom. She is also a Member of the Hong Kong Institute of Certified Public Accountants. She sits on the Hong Kong Selection Committee of the Rhodes Scholarships, as well as a number of committees of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Chartered Secretaries respectively.

Ms. Yung's compensation package as Executive Director effective 1 April 2008 includes a fixed package (including base salary and pensions) of HK\$2,822,500 per annum and she will be entitled to a performance bonus at a level to be approved by the Emoluments Review Committee having regard to the performance of the Group and the individual concerned. She may also be granted long-term incentives in the form of share options. This compensation package is determined having given consideration to the level of responsibility, experience and abilities required of the Director and the remuneration offered for similar positions in comparable companies. She receives no other compensation from the Group.

Ms. Yung has no relationship with any Directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, there is no other matter that needs to be brought to the attention of the shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

Notes:

1. (a) The respective annual director fees for serving on the Board and on its committees were approved by the shareholders in the 2005 annual general meeting (held on 10 May 2005) having given consideration to the level of responsibility, experience and abilities required of the relevant Directors and the remuneration offered for similar positions in comparable companies. Details on Director emoluments are set out in "Directors' Remuneration and Interests Report" and notes to the financial statements set out in the Annual Report 2007.
- (b) Save as disclosed above, the Directors received no other compensation from the Group.
2. No Director proposed for re-election at the AGM has a service contract with the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE

This is an explanatory statement as required under the Listing Rules in connection with the resolution authorising the Share Repurchase Mandate proposed to be considered, and if thought fit, passed by shareholders of the Company at the AGM. The Listing Rules provide that all repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate to the directors of the company to make such repurchases or by specific approval in relation to specific transactions. This explanatory statement also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

Share Capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,037,509,756 Shares of HK\$5.00 each.

On the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 103,750,975 Shares.

Reasons for Repurchase

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its shareholders.

Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its shareholders.

Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Ordinance.

In the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period, the working capital or gearing position of the Company might be materially different as compared with the position disclosed in the audited consolidated accounts for the year ended 31 December 2007 as contained in the Annual Report 2007. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE

Share Prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months before the printing of this circular were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
Year 2007		
March	22.50	19.86
April	21.55	20.30
May	21.85	20.40
June	22.15	20.45
July	21.30	19.90
August	20.45	18.14
September	22.20	19.40
October	24.30	20.15
November	23.90	19.58
December	23.20	20.05
Year 2008		
January	25.95	21.20
February	23.30	19.80
March (upto the Latest Practicable Date)	22.65	20.45

Undertaking

The Directors have undertaken to the Stock Exchange (so far as the same may be applicable) to exercise the power of the Company to make repurchases pursuant to Ordinary Resolution numbered 6 in accordance with the Listing Rules, the Companies Ordinance and any other applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Share Repurchase Mandate if such mandate is approved by the shareholders.

No connected persons have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so in the event that the Share Repurchase Mandate is approved by the shareholders.

EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE

Effect of the Takeovers Code

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition and may give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Lee Hysan Estate Company, Limited ("**LHE**") and certain of its subsidiaries are the substantial shareholders of the Company, which are indirectly interested in approximately 41.75 % of the issued share capital of the Company. Lee Hysan Company Limited, being LHE's holding company, is also deemed to have same interests pursuant to the provisions of the Securities and Futures Ordinance. In the event that the Directors exercise in full the power to repurchase Shares which are proposed to be granted pursuant to the Share Repurchase Mandate, the shareholding of Lee Hysan Company Limited, LHE and certain of its subsidiaries would be increased to approximately 46.39 %.

Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent as would result in takeover obligations.

Save as disclosed above, the Directors are not aware of any shareholder or group of shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Share Repurchase Mandate.

Share Purchase made by the Company

The Company has purchased a total of 2,543,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 27 September 2007 to 27 March 2008) and details of which are as follows:

Date of Repurchase	Number of Shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
27 September 2007	1,491,000	21.75	21.30
28 September 2007	410,000	21.55	21.35
5 October 2007	100,000	21.00	20.95
1 November 2007	542,000	23.00	22.75
Total	<u>2,543,000</u>		

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context otherwise requires:

“AGM” or “Annual General Meeting” or “Meeting”	means the annual general meeting of the Company to be held at Nathan Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 14 May 2008 at 12:00 noon or any adjournment thereof;
“Articles of Association”	means the articles of association of the Company (as amended from time to time);
“associate”	has the meaning ascribed to it under the Listing Rules;
“Auditor”	means the auditor for the time being of the Company;
“Board”	means the board of Directors or a duly authorised committee of the board of Directors;
“business day”	has the meaning ascribed to it under the Listing Rules;
“Companies Ordinance”	means the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	means Hysan Development Company Limited, a company incorporated in Hong Kong with limited liability;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Directors”	means the directors from time to time of the Company;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People's Republic of China;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	means 27 March 2008 being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as modified from time to time;

DEFINITIONS

“Notice of AGM”	means the notice convening the AGM as set out on pages 2 to 4 of this circular;
“Securities and Futures Ordinance” or “SFO”	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	means ordinary share(s) of HK\$5.00 each in the Company (or of such other nominal amount as comprising the ordinary share capital of the Company as shall result from a sub-division or a consolidation of the share capital of the Company from time to time);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiary”	means a company which is for the time being a subsidiary (within the meaning of section 2(4) of the Companies Ordinance) of the Company;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Repurchases published by Securities and Futures Commission.