

NEWS RELEASE

Date: 4 November 2004

**Hysan Development Wins 2004 Best Practice Award
in Corporate Governance**

Hysan Development Company Limited (Hysan) was today named the winner of the 2004 Best Practice Award in Corporate Governance. The award, organised by Best Practice Management, was presented to Hysan as a result of the nominations it has received from peers for its corporate governance best practices.

In the presentation to all participants of the award presentation held today, Michael T H Lee, Managing Director and Wendy Yung, Company Secretary and Head of Corporate Services Division of Hysan, shared the Company's corporate governance philosophy and best practices.

"Hysan is committed to being a responsible business accountable to our stakeholders. Corporate Governance is an important programme emphasising our accountability to shareholders," Mr Lee said.

Mr Lee cited the engendering of an appropriate management philosophy as the key to putting principles into practice at Hysan.

"We believe corporate governance must start at the top, that is the Board level. The Board must believe in it and drive it together with top management," Mr Lee added.

As a result of this management philosophy, a number of initiatives has been introduced at Hysan over the past two years, notably a formal corporate governance policy statement which sets out important principles including Board mission, independence, composition, and delegation. In line with the Company's belief in the importance of open and timely disclosure of relevant information on its activities to shareholders, the Group further enhanced disclosure in key areas including director remuneration, financial disclosure and shareholders information. (For details of the initiatives, please refer to the attached Fact Sheet - Ongoing Enhancements of Corporate Governance Practices.)

"We are happy to play our part in promoting a good corporate governance culture in Hong Kong, and we hope our efforts in adopting good practices can provide a useful model for other companies," Mr Lee concluded.

Hysan is a leading property investment, management and development company in Hong Kong, with a major portfolio in high quality office, retail and residential properties. It is the largest commercial landlord in the prime office and retail Causeway Bay district.

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This press release and other corporate information can also be found at: www.hysan.com.hk or www.irasia.com/listco/hk/hysan/index.htm

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Fact Sheet
Ongoing Enhancements of Corporate Governance Practices

Year 2003

(As reflected in the 2002 Annual Report)

- publication of a separate *Corporate Governance Statement*
- publication of an *Audit Committee Report*
- disclosure of detailed *shareholdings (including top 10 shareholders) information*
- comprehensive *Annual General Meeting Circular* to shareholders
- voluntary publication of *proxy voting information*, Annual General Meeting 2002

Year 2004

(As reflected in the 2003 Annual Report)

- introduction of a separate *Directors' Remuneration and Interests' Report* including the disclosure of individual director compensation on a named basis
- enhanced practices as reflected in a *Statement of Hysan's Adherence to Corporate Governance Best Practices*, including taking into consideration the Stock Exchange's 2004 proposals
- *Board adoption of a formal corporate governance policy statement, 2004* which sets out important principles on Board appointment, Board leadership, Board composition and size
- *Enhanced financial disclosure* – further analysis and details given, including analysis of key cost and revenue drivers for profit and loss account, balance sheet, financial management policies, internal controls and risk management
- Enhanced *shareholder communications – a new approach for AGM*
 - preparation of a *comprehensive yet user-friendly Annual General Meeting circular* covering information on each resolution to be proposed, as well as general voting procedures

- in line with good corporate governance practices, *Chairman demanded a poll* on all resolutions considered in the 2004 AGM
 - we introduced a *general business overview session* led by the Chairman and Managing Director in our 2004 AGM
- New initiatives in *Director training and development*



Photo caption (1) :

Hysan Development Company Limited (Hysan) was named the winner of the 2004 Best Practice Award in Corporate Governance. Michael T H Lee, Managing Director (right) of Hysan Development Company Limited is pictured here receiving the award at the presentation ceremony held today (4 November).



Photo caption (2) :

In the presentation to all participants of the 2004 Best Practice Award presentation held today (4 November), Michael T H Lee, Managing Director of Hysan, shared the Company's corporate governance philosophy and best practices.



Photo caption (3) :

In the presentation to all participants of the 2004 Best Practice Award presentation held today (4 November), Wendy Yung, Company Secretary and Head of Corporate Services Division of Hysan, shared the Company's ongoing enhancements of corporate governance practices.