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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular, 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 (the “**Company**”), 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.

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**HYSAN DEVELOPMENT COMPANY LIMITED**

**希慎興業有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 00014)

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

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29 March 2017

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## INVITATION TO SHAREHOLDERS

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### HYSAN DEVELOPMENT COMPANY LIMITED

### 希慎興業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00014)

**Board of Directors:**

Irene Yun Lien LEE (*Chairman*)

Frederick Peter CHURCHOUSE\*\*

Philip Yan Hok FAN\*\*

Lawrence Juen-Yee LAU\*\*

Joseph Chung Yin POON\*\*

Hans Michael JEBSEN\*

(*Trevor Chi-Hsin YANG as his alternate*)

Siu Chuen LAU\*

Anthony Hsien Pin LEE\*

(*Irene Yun Lien LEE as his alternate*)

Chien LEE\*

Michael Tze Hau LEE\*

**Registered Office:**

49/F. (Reception: 50/F.)

Lee Garden One

33 Hysan Avenue

Hong Kong

\* *Non-Executive Directors*

\*\* *Independent Non-Executive Directors*

29 March 2017

Dear Shareholders,

1. Notice of the annual general meeting to be held on Monday, 15 May 2017 (“**AGM**” or “**Annual General Meeting**” or “**Meeting**”) is set out on pages 2 to 4 of this circular. Detailed explanation on the businesses to be considered at the AGM, together with Board Recommendations on the proposed resolutions, are set out in this circular.
2. Whether you are able to attend the AGM or not, you are advised to read this circular and to complete the enclosed form of proxy in accordance with the instructions printed on it and return original of the completed form of proxy to the Company’s registered office or to the Company’s Registrar, not less than 48 hours before the time appointed for the Meeting or any adjourned meeting (as the case may be).
3. Form of proxy sent electronically will not be accepted. Submission of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting, and in such event, the appointment of the proxy will be deemed to be revoked.

Yours faithfully,  
**Irene Yun Lien LEE**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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**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 will be held at Meeting Room N101, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong (use Expo Drive Entrance) on Monday, 15 May 2017 at 12:00 noon for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31 December 2016 together with the Reports of Directors and Auditor thereon.
2. To re-elect Directors.
3. To re-appoint Deloitte Touche Tohmatsu as Auditor and authorise the Directors to fix their remuneration.

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

### ORDINARY RESOLUTIONS

4. **“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 number of shares 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 number of shares of the Company in issue as at the date of passing this Resolution and the said mandate shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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
- (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).”

5. **“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 the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), provided that the aggregate number of shares so purchased or otherwise acquired shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of passing of this Resolution, and the said mandate shall be limited accordingly; and

- (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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

6. **“That** the Article 131 of Articles of Association of the Company be and is hereby amended:
- (1) by adding the words “or approved in writing” in the first line immediately before the words “by all the Directors”;
  - (2) by deleting the words “; and” in the fourth line and replaced by the words “. A written notification of confirmation of such resolution in writing given by a Director by any means (including in electronic form) shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing”; and
  - (3) by deleting the words “Any signature may be affixed to a facsimile copy of the resolution and any signed resolution shall be valid if the Company receives the original or a copy by facsimile.” in the fifth, sixth and seventh lines.”

By Order of the Board  
**Ka Ki CHEUNG**  
*Company Secretary*

Hong Kong, 29 March 2017

*Notes:*

1. A member entitled to attend and vote at the 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. An original of the completed form of proxy must be returned to the Company's registered office at 49/F. (Reception: 50/F.), Lee Garden One, 33 Hysan Avenue, Hong Kong or to the Company's Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the Meeting. Form of proxy sent electronically will not be accepted.
3. The register of members will be closed from Friday, 12 May 2017 to Monday, 15 May 2017, both dates inclusive. In order to be entitled to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 11 May 2017.
4. Detailed information on the businesses to be transacted at the Meeting is set out in the section “Businesses of the Meeting and Board Recommendations” of the circular to be sent to shareholders.
5. Each of the resolutions set out in this notice will be voted by poll.
6. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time between 9:00 a.m. and 12:00 noon on the date of the Meeting, the Meeting will be automatically postponed or adjourned. The Company will post an announcement on the Company's website ([www.hysan.com.hk](http://www.hysan.com.hk)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the date, time and place of the rescheduled meeting.

The Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.

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## BUSINESSES OF THE MEETING AND BOARD RECOMMENDATIONS

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### RESOLUTION 1 – RECEIVING 2016 FINANCIAL STATEMENTS

1. The full audited financial statements together with the Reports of Directors and Auditor thereon, are set out on pages 131 to 180, pages 102 to 110 and pages 127 to 130 of the Annual Report 2016.
2. The audited financial statements have been reviewed by the Audit Committee. A report of the Audit Committee is set out on pages 121 to 124 of the Annual Report 2016.

### RESOLUTION 2 – RE-ELECTION OF DIRECTORS

3. Irene Yun Lien LEE, Philip Yan Hok FAN, Hans Michael JEBSEN and Siu Chuen LAU will retire from office at the forthcoming AGM in accordance with Article 114 of the Company's Articles of Association.
4. Siu Chuen LAU has informed the Board that he will not stand for re-election and accordingly will retire as Non-Executive Director after the conclusion of the AGM. The other retiring Directors, being eligible, shall offer themselves for re-election at the forthcoming AGM. Their proposed re-election will be considered by separate resolutions.
5. Details of the background information on the retiring Directors who are proposed for re-election are set out on pages 8 to 10 of this circular.

### RESOLUTION 3 – RE-APPOINTMENT OF AUDITOR

6. 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 2017.

### RESOLUTIONS 4 AND 5 – GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

7. At the last annual general meeting of the Company held on 13 May 2016, ordinary resolutions were passed giving general mandates 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:
  - **Resolution 4** – 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 total number of shares in issue 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 Issue Mandate**"); and
  - **Resolution 5** – 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 total number of shares in issue 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**").

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## BUSINESSES OF THE MEETING AND BOARD RECOMMENDATIONS

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8. The full text of these resolutions is set out in the Notice of AGM. The Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the Share Repurchase Mandate is set out on pages 11 to 13 of this circular.
9. The Company's Articles of Association empowers Directors to allot unissued shares. Under the Companies Ordinance, a company issuing shares (or granting rights to subscribe for, or converting any securities into shares) for cash must offer its shareholders the first opportunity to subscribe for such shares or rights 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 shares, without differentiating between cash and non-cash issuances.
10. 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.
11. 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' pre-emptive rights apply; and (ii) for non-cash consideration. This is in line with international best practices.
12. 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 shares. This is below the maximum limit permitted under the Listing Rules.
13. The Company has not issued any new shares pursuant to the Share 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.
14. 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.

### RESOLUTION 6 – AMENDMENTS TO THE ARTICLES OF ASSOCIATION

15. Details of the proposed amendments are set out in the Notice of AGM. Such amendments are made to clarify that the Directors of the Company who are in Hong Kong and entitled to vote on the proposed resolutions can signify their agreement to the Directors' written resolutions by electronic means. The proposed amendments can increase efficiency of communication, and are in line with the prevailing market practice.
16. The Directors consider that the proposed amendments to the Articles of Association increase efficiency of communication and facilitate the Directors' decision making process and entire Board process. These amendments are therefore beneficial to the Company and the shareholders as a whole. Advice has been obtained from independent legal advisor that this provision complies with Hong Kong legal as well as Listing Rules requirements. This special business will be considered as a special resolution at the AGM, which requires not less than 75% of the votes cast by shareholders attending and entitled to vote at the AGM.
17. The Chinese translation of the Articles of Association is for shareholders' reference only. In case there is any inconsistency between the English version and the Chinese version, the English version shall prevail.

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## **BUSINESSES OF THE MEETING AND BOARD RECOMMENDATIONS**

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### **BOARD RECOMMENDATIONS**

18. The Directors consider that each of the Resolutions (1) to (6) as set out in the Notice of AGM is in the best interests of the Company and its shareholders as a whole, accordingly, recommend shareholders to vote in favour of the proposed resolutions.


### **RIGHT TO DEMAND A POLL**

19. On a poll, every member present in person (or in the case of a corporation by its corporate representative) or by proxy (including where more than one proxy is appointed) shall have one vote for each share in the Company of which he is the holder. All shareholders, corporate representatives or proxies who attend the AGM will be given voting papers upon their registration at the AGM. You can cast your votes either for or against each resolution in respect of the number of shares held under your name.
20. Under the Listing Rules, all votes at the AGM are required to be taken by poll. Accordingly, the Chairman of the AGM will demand a poll regarding the voting for all the resolutions set out in the Notice of AGM. The results of the 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.



## 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 in 2016 (HK\$)	Interests in shares within the meaning of Part XV of Securities and Futures Ordinance (“SFO”) as at 23 March 2017 (the “Latest Practicable Date”)
<b>Irene Yun Lien LEE</b> <i>Chairman</i> Age: 63	2011	Chairman of Executive Committee, Nomination Committee and Strategy Committee	11,544,243 <i>(Note 1)</i>	304,000 shares and 1,652,000 options  (Personal interests)

Ms. Lee leads the Group in her executive Chairman role. Ms. Lee is an independent non-executive director of Cathay Pacific Airways Limited, CLP Holdings Limited, HSBC Holdings plc, The Hongkong and Shanghai Banking Corporation Limited, Hang Seng Bank Limited and Noble Group Limited (listed on Singapore Exchange Limited). She has held senior positions in investment banking and fund management in a number of renowned international financial institutions. Previously, Ms. Lee was an executive director of Citicorp Investment Bank Limited in New York, London and Sydney; head of corporate finance at Commonwealth Bank of Australia and chief executive officer of Sealcorp Holdings Limited, both based in Sydney. She was also the non-executive chairman of Keybridge Capital Limited (listed on Australian Stock Exchange), a non-executive director of ING Bank (Australia) Limited, QBE Insurance Group Limited, and The Myer Family Company Pty Limited; and a member of the Advisory Council of JP Morgan Australia. Ms. Lee was formerly a member of the Australian Government Takeovers Panel. She is a member of the founding Lee family, sister of Mr. Anthony Hsien Pin LEE (Non-Executive Director) and his alternate on the Board. Ms. Lee holds a Bachelor of Arts Degree from Smith College, United States of America, and is a Barrister-at-Law in England and Wales and a member of the Honourable Society of Gray’s Inn, United Kingdom. She was appointed a Non-Executive Director in March 2011, Non-Executive Chairman in May 2011, and executive Chairman in March 2012. She also serves as a director of certain subsidiaries of the Group.

Following review by the Remuneration Committee and, in turn, the Board in February 2017, Ms. Lee’s compensation package as Chairman for 2017 includes a fixed package (including base salary and pensions) of HK\$5,146,500 per annum, a special fee of HK\$2,564,250 per annum in recognition of extra responsibilities she assumed, and will be entitled to a performance bonus at a level to be approved by the Remuneration 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 Chairman and the remuneration offered for similar positions in comparable companies.

Save as disclosed above, Ms. Lee has no relationships with any 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.

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director since</b>	<b>Board committee memberships</b>	<b>Emoluments received in 2016 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Philip Yan Hok FAN</b> <i>Independent Non-Executive Director</i> Age: 67	2010	Chairman of Remuneration Committee, Member of Audit Committee, Nomination Committee and Strategy Committee	385,424	Nil

Mr. Fan is an independent non-executive director of China Everbright International Limited, First Pacific Company Limited, China Aircraft Leasing Group Holdings Limited and PFC Device Inc., and an independent director of Goodman Group. He is a member of the Asia Advisory Committee of AustralianSuper Pty Ltd (a pension fund in Australia). He was previously an independent non-executive director of HKC (Holdings) Limited and Guolian Securities Co., Ltd, and an independent director of Suntech Power Holdings Co., Ltd. (under official liquidation) and Zhuhai Zhongfu Enterprise Co. Ltd. Mr. Fan holds a Bachelor's Degree in Industrial Engineering and a Master's Degree in Operations Research from Stanford University, as well as a Master's Degree in Management Science from Massachusetts Institute of Technology. He was appointed an Independent Non-Executive Director in January 2010.

Mr. Fan has confirmed to the Board his independence as regard each of the factors referred to in Rule 3.13(1) to (8) 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. Fan in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director.

Mr. Fan received Director fee of HK\$214,003 and a fee of HK\$171,421 for serving as chairman of Remuneration Committee, and member of the Audit Committee, Nomination Committee and Strategy Committee in 2016.

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.

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	Director since	Board committee memberships	Emoluments received in 2016 (HK\$)	Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date
<b>Hans Michael JEBSEN</b> <i>B.B.S.</i> <i>Non-Executive Director</i> Age: 60	1994	Member of Strategy Committee	232,500	2,534,300 shares (Personal and corporate interests) <i>(Note 2)</i>

Mr. Jebsen is chairman of Jebsen and Company Limited as well as a director of other Jebsen Group companies worldwide. He is also an independent non-executive director of The Wharf (Holdings) Limited. He was appointed a Non-Executive Director in 1994.

Mr. Jebsen received Director fee of HK\$214,003 and a fee of HK\$18,497 for serving as member of the Strategy Committee in 2016.

Save as disclosed above, Mr. Jebsen has no relationship with any 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.

*Notes:*

1. Details of the Director emoluments for year 2016 are set out in "Directors' Remuneration and Interests Report" and notes to the consolidated financial statements set out in the Annual Report 2016. The amount stated in this section represents total cash received.
2. 60,984 shares were held by Mr. Hans Michael JEBSEN personally and 2,473,316 shares were held by a corporation in which he was a member entitled to exercise no less than one-third of the voting power at general meeting.
3. Last revision of annual Director fees for serving on the Board and certain of its Committees were approved by the shareholders in annual general meeting held on 13 May 2016 having given consideration to the level of responsibility, experience, abilities required of the Directors, level of care and amount of time needed to be spent, and fees offered for similar positions in companies competing for the same talent. Executive Directors do not receive Director fee. Save as disclosed above, the Directors received no other compensation from the Group in 2016.
4. 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).

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## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

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This Explanatory Statement includes information required under Rule 10.06(1)(b) of the Listing Rules to be given to shareholders in connection with the proposed Share Repurchase Mandate to be granted to the Directors of the Company.

### Share Capital

1. As at the Latest Practicable Date, the Company has a total of 1,045,328,359 issued shares.
2. On the basis that no further shares are issued or repurchased prior to the AGM, the Directors would be authorised to repurchase a maximum of 104,532,835 shares.

### Reasons for Repurchase

3. The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its shareholders.
4. 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

5. In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the laws of Hong Kong. Such funds may include the distributable profits of the Company and/or the proceeds of a new issue of shares made for the purpose of the repurchase.
6. In the event that the proposed share repurchases is exercised in full, there might have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Annual Report 2016 and Financial Statements for the year ended 31 December 2016). However, the Directors do not propose to exercise the Share Repurchase Mandate to such an 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.

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## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

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### Share Prices

7. The highest and lowest prices at which the shares have traded on the Stock Exchange during each of the previous 12 months and as at the Latest Practicable Date were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>Year 2016</b>		
April	35.30	31.25
May	34.75	31.50
June	34.90	32.35
July	36.50	33.60
August	38.70	35.35
September	38.70	35.60
October	37.60	35.15
November	36.55	33.25
December	35.00	31.90
<b>Year 2017</b>		
January	36.00	32.15
February	36.70	34.55
23 March (Latest Practicable Date)	36.95	34.65

### Undertaking

8. The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase its own shares pursuant to resolution 5 in accordance with the Listing Rules and the laws of Hong Kong.
9. None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any shares to the Company under the Share Repurchase Mandate if such mandate is approved by the shareholders.
10. No core connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell shares to the Company or has undertaken not to do so in the event that the Share Repurchase Mandate is approved by the shareholders.

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## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

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### The Codes on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”)

11. If, as a result of share repurchases by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could, depending on the level of increase of shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.
12. As at the Latest Practicable Date, Lee Hysan Estate Company, Limited (“LHE”) and its subsidiary are the substantial shareholders of the Company, which are interested in approximately 41.43% of the issued shares of the Company. Lee Hysan Company Limited (“LHC”), being LHE's holding company, is also deemed to have the same interests pursuant to the SFO. 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 LHC, and LHE and its subsidiary would be increased to approximately 46.04%.
13. 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.
14. 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 Repurchase made by the Company

15. The Company repurchased a total of 861,000 shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 23 September 2016 to 23 March 2017) and details of which are as follows:

Date of Repurchase	Number of shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
7 November 2016	260,000	34.90	34.60
8 November 2016	101,000	34.60	34.45
9 November 2016	100,000	34.50	34.45
11 November 2016	150,000	34.40	34.35
14 November 2016	200,000	34.00	33.55
16 November 2016	50,000	33.80	33.75
	<hr/>		
	861,000		
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16. Save as disclosed above, the Company has not made any repurchase of the shares during the six months prior to the Latest Practicable Date.