
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. 622, 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 Meeting Room S221, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong (use Harbour Road Entrance) on Friday, 13 May 2016 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 original of the same 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, 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. Form of proxy sent electronically or by any other data transmission process will not be accepted. 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 2016

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INVITATION TO SHAREHOLDERS



HYSAN DEVELOPMENT COMPANY LIMITED

希慎興業有限公司

(Incorporated under Hong Kong Companies Ordinance, Cap. 622, with limited liability)

(Stock Code: 00014)

Board of Directors:

Irene Yun Lien LEE (*Chairman*)

Siu Chuen LAU

(Deputy Chairman and Chief Executive Officer)

Nicholas Charles ALLEN**

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)

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*

31 March 2016

Dear Shareholders,

On behalf of the Board and management, we invite you to attend Hysan Development Company Limited's Annual General Meeting to be held on Friday, 13 May 2016. Detailed explanation on the businesses to be considered at the Meeting, together with Board Recommendations on the proposed resolutions, are set out in this circular.

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,
Irene Yun Lien 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 will be held at Meeting Room S221, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong (use Harbour Road Entrance) on Friday, 13 May 2016 at 12:00 noon for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31 December 2015 together with the Reports of Directors and Auditor thereon.
2. To re-elect Directors.
3. To approve revision of annual fees payable to Non-Executive Directors, members of Audit Committee and Strategy Committee (such revision to take effect from 1 June 2016 and fees for Directors and Board Committee Members for the financial year ending 31 December 2016 be adjusted accordingly on a pro-rata basis) and such revised annual fees to remain the same until the Company in general meeting otherwise determines:

HK\$ per annum

Board of Directors

Non-Executive Director	225,000
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Audit Committee

Chairman	135,000
Member	70,000

Strategy Committee

Member	30,000
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4. To re-appoint Messrs. 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

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;

NOTICE OF ANNUAL GENERAL MEETING

(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

(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).”

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 the Company in accordance with all applicable laws and the requirements of 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

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.”

By Order of the Board
Ka Ki CHEUNG
Company Secretary

Hong Kong, 31 March 2016

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, an original of the 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, 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. Form of proxy sent electronically or by any other data transmission process will not be accepted.
3. The register of members will be closed from Thursday, 12 May 2016 to Friday, 13 May 2016, both dates inclusive. In order to qualify for attending and voting at the Annual General 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, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 11 May 2016.
4. Further information on voting procedures is 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 is set out in the section "Businesses of the Meeting and Board Recommendations" of the Circular.
6. Pursuant to the Listing Rules, any vote of members at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, 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 comprises: Irene Yun Lien LEE (Chairman), Siu Chuen LAU (Deputy Chairman and Chief Executive Officer), Nicholas Charles ALLEN**, 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), Anthony Hsien Pin LEE* (Irene Yun Lien LEE as his alternate), Chien LEE* and Michael Tze Hau LEE*.*

* *Non-Executive Directors*

** *Independent Non-Executive Directors*

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 13 May 2016 (the date of AGM).

The register of members will be closed from Thursday, 12 May 2016 to Friday, 13 May 2016 (both dates inclusive), for the purpose of determining qualification for attending and voting at the AGM. If you have recently purchased the Shares, you must deliver to Tricor Standard Limited not later than 4:00 p.m. on Wednesday, 11 May 2016 the share certificate(s), share transfer form(s) or relevant evidence to establish that you own the Shares.

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 “Businesses of the Meeting and Board Recommendations” on pages 7 to 9 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 an original of the properly executed form of proxy or corporate representative authorisation to the Company. Form of proxy sent electronically or by any other data transmission process will not be accepted.

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 to be voted.
- (b) You may appoint 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 to be voted. A proxy need not be a shareholder of the Company.

VOTING INFORMATION: FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q. When shall I return my form of proxy?

- A.** To be valid, an **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 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, Wanchai, Hong Kong, not less than 48 hours before the time for holding the AGM or any adjournment thereof.** Form of proxy sent electronically or by any other data transmission process will not be accepted.

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(s) 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. Where more than one proxy is appointed, the proxies are not entitled to vote on the resolution on a show of hands.

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. How will voting be taken at the AGM?

- A.** **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.**

Q. What are the procedures for voting by poll?

- A.** **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 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. The resolutions will be printed on the voting papers. You can cast your votes either for or against each resolution in respect of the number of shares held under your name. The Registrar will collect all the voting papers after voting. 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.**

Q. What if I have a question?

- A.** If you have any question regarding the AGM, please contact Hysan's Company Secretary at 2895-5777.

BUSINESSES OF THE MEETING AND BOARD RECOMMENDATIONS

RESOLUTION NUMBERED 1 – RECEIVING 2015 FINANCIAL STATEMENTS

The full audited financial statements together with the Reports of Directors and Auditor thereon, are set out on pages 137 to 190, pages 112 to 120 and page 136 of the Annual Report 2015.

The audited financial statements have been reviewed by the Audit Committee. A report of the Audit Committee is set out on pages 130 to 133 of the Annual Report 2015.

RESOLUTION NUMBERED 2 – 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, Nicholas Charles ALLEN, Frederick Peter CHURCHOUSE, Anthony Hsien Pin LEE and Chien LEE will retire at the forthcoming AGM.

Nicholas Charles ALLEN has informed the Board that he will not stand for re-election and accordingly will retire as Independent Non-Executive Director after the conclusion of the forthcoming AGM. Save for Nicholas Charles ALLEN, 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.

Details of the background information on the retiring Directors who are proposed for re-election are set out on pages 10 to 12 of this circular.

RESOLUTION NUMBERED 3 – PROPOSED REVISION OF REMUNERATION OF NON-EXECUTIVE DIRECTORS AND BOARD COMMITTEE MEMBERS

The current annual Directors' fee structure was approved by shareholders at the annual general meeting held on 9 May 2011. Revision to fees of Chairmen of the Audit Committee and Remuneration Committee were approved by shareholders at the annual general meeting held on 13 May 2014. Executive Directors do not receive Director fee.

It is proposed to increase annual fees payable to Non-Executive Directors, members of Audit Committee and Strategy Committee. In making such revision to remuneration arrangements, considerations have been given to the level of responsibility, experience, abilities required of the Directors and committee members, level of care and amount of time needed to be spent, and fees offered for similar positions in companies requiring the same talent.

The revised fee levels shall take effect from 1 June 2016 (and be payable to Non-Executive Directors and Board Committee Members on a pro rata basis for the financial year ending 31 December 2016) and such revised fee level shall remain the same until the Company in general meeting otherwise determines. Details of the revised fees are set out in the Notice of AGM.

BUSINESSES OF THE MEETING AND BOARD RECOMMENDATIONS

Subject to the approval of the shareholders at the AGM, the annual fees payable to Non-Executive Directors and Board Committee Members shall be as follow:

	HK\$ per annum	
	Current	Proposed
Board of Directors		
Non-Executive Director	200,000	225,000
Audit Committee		
Chairman	120,000	135,000
Member	60,000	70,000
Strategy Committee		
Member	20,000	30,000

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 2016.

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

At the last annual general meeting of the Company held on 15 May 2015, general mandates under Sections 140 and 141 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 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 "**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 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**").

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 13 to 16 of this circular.

The Company's Articles of Association empower 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.

BUSINESSES OF THE MEETING AND BOARD RECOMMENDATIONS

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' pre-emptive 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 shares. This is below the maximum 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 2015 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Frederick Peter CHURCHOUSE <i>Independent Non-Executive Director</i> Age: 66	2012	Member of Audit Committee	260,000.00	Nil

Mr. Churchouse has been involved in Asian securities and property investment markets for more than 30 years. Currently, he is a private investor including having his own private family office company, Portwood Company Ltd. He is an independent non-executive director of Longfor Properties Co. Ltd. He is also the publisher and author of "The Churchouse Letter". In 2004, Mr. Churchouse set up an Asian investment fund under LIM Advisors. He acted as a director of LIM Advisors and as Responsible Officer until the end of 2009. Prior to this, Mr. Churchouse worked at Morgan Stanley as a managing director and advisory director from early 1988. He acted in a variety of roles including head of regional research, regional strategist and head of regional property research. He was also a board member of Macquarie Retail Management (Asia) Limited. Mr. Churchouse gained a Bachelor of Arts degree and a Master of Social Sciences degree from the University of Waikato in New Zealand. He was appointed an Independent Non-Executive Director in December 2012.

Mr. Churchouse 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. Churchouse 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. Churchouse received Director fee of HK\$200,000 and a fee of HK\$60,000 for serving as member of the Audit Committee in 2015.

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 2015 (HK\$)	Interests in Shares within the meaning of Part XV of SFO as at the Latest Practicable Date
Anthony Hsien Pin LEE <i>Non-Executive Director</i> Age: 58	1994	Member of Audit Committee	260,000.00	Nil

Mr. Lee is a director and substantial shareholder of the Australian-listed Beyond International Limited, principally engaged in television programme production and international sales of television programmes and feature films. He is also a non-executive director of Television Broadcasts Limited. Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Estate Company, Limited (a substantial shareholder of the Company). He is the brother of Ms. Irene Yun Lien LEE, Chairman. Mr. Lee received a Bachelor of Arts Degree from Princeton University and a Master of Business Administration Degree from The Chinese University of Hong Kong. He was appointed a Non-Executive Director in 1994.

Mr. Lee received Director fee of HK\$200,000 and a fee of HK\$60,000 for serving as member of the Audit Committee in 2015.

Save as disclosed above, Mr. Lee 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.

INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED



	Director since	Board committee memberships	Emoluments received for 2015 (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: 62	1988	Member of Nomination Committee and Strategy Committee	240,000.00	800,000 Shares (Personal interests)

Mr. Lee is a private investor and a non-executive director of Swire Pacific Limited and a number of private companies. He was previously an independent non-executive director of 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 Director fee of HK\$200,000 and a fee of HK\$20,000 for serving as a member of each of the Nomination Committee and Strategy Committee in 2015.

Save as disclosed above, Mr. Lee 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:

- Details of the Director emoluments for year 2015 are set out in "Directors' Remuneration and Interests Report" and notes to the financial statements set out in the Annual Report 2015. The amount stated in this section represents total cash received.
- The respective annual Director fees for serving on the Board and on its committees were approved by the shareholders in the 2011 annual general meeting (held on 9 May 2011) 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. Revision to fees of Chairmen of the Audit Committee and Remuneration Committee were approved in the 2014 annual general meeting (held on 13 May 2014) and effective 1 June 2014. Save as disclosed above, the Directors received no other compensation from the Group in 2015.
- 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 PROPOSED 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 239 of the Companies Ordinance.

Share Capital

As at the Latest Practicable Date, the Company has a total of 1,048,308,692 issued Shares of which 299,000 Shares were repurchased and pending for cancellation.

After cancellation of the Shares repurchased up to the Latest Practicable Date and 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 104,800,969 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 Articles of Association and the Companies Ordinance. The Companies Ordinance provides that subject to complying with the detailed requirements, the amount of capital repaid in connection with a share repurchase may 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. Listed companies are not allowed to make a payment out of capital in respect of a buy-back of its own shares on an approved stock exchange.

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 2015 as contained in the Annual Report 2015. 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 PROPOSED 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
Year 2015		
April	36.80	34.00
May	37.45	35.20
June	36.25	33.00
July	35.25	31.65
August	34.20	29.90
September	33.00	30.60
October	34.95	32.10
November	34.60	31.75
December	33.25	31.40
Year 2016		
January	32.15	28.80
February	31.50	29.25
March (upto the Latest Practicable Date)	35.00	30.45

Undertaking

The Directors have undertaken to the Stock Exchange 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 (so far as the same may be applicable).

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close 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 core connected person 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.

EXPLANATORY STATEMENT ON PROPOSED 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, LHE and its subsidiary are the substantial shareholders of the Company, which are interested in approximately 41.32% of the issued shares of the Company. Lee Hysan Company Limited, being LHE's holding company, is also deemed to have the same interests pursuant to the provisions of the Securities and Futures Ordinance. After cancellation of the Shares repurchased up to the Latest Practicable Date and 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, and LHE and its subsidiary would be increased to approximately 45.92%.

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.

EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

Share Repurchase made by the Company

The Company repurchased a total of 12,952,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 29 September 2015 to 29 March 2016) and details of which are as follows:

Date of Repurchase	Number of Shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
29 September 2015	93,000	31.50	31.35
16 November 2015	21,000	31.80	31.80
27 November 2015	200,000	32.50	32.45
4 December 2015	109,000	32.70	32.60
7 December 2015	95,000	32.70	32.70
8 December 2015	152,000	32.70	32.65
9 December 2015	650,000	32.60	32.45
10 December 2015	200,000	32.50	32.45
11 December 2015	400,000	32.60	32.15
14 December 2015	112,000	32.10	32.00
15 December 2015	400,000	32.20	31.95
16 December 2015	273,000	32.35	32.10
17 December 2015	500,000	31.95	31.75
18 December 2015	113,000	31.90	31.65
21 December 2015	450,000	31.65	31.45
4 January 2016	160,000	31.50	31.50
5 January 2016	276,000	31.80	31.45
6 January 2016	289,000	31.85	31.70
7 January 2016	750,000	31.70	31.20
8 January 2016	450,000	31.50	31.30
11 January 2016	300,000	31.35	31.15
12 January 2016	372,000	31.30	31.20
13 January 2016	350,000	31.65	31.50
14 January 2016	501,000	31.20	31.15
15 January 2016	600,000	31.20	31.00
18 January 2016	593,000	31.00	30.80
19 January 2016	600,000	30.95	30.55
20 January 2016	896,000	30.60	29.80
21 January 2016	1,000,000	30.00	28.95
22 January 2016	650,000	29.70	29.00
25 January 2016	244,000	29.35	29.20
26 January 2016	300,000	29.30	29.05
27 January 2016	100,000	29.30	29.25
28 January 2016	129,000	29.30	29.20
1 February 2016	25,000	29.75	29.75
3 February 2016	200,000	30.60	30.40
4 February 2016	100,000	30.40	30.20
22 March 2016	149,000	32.50	32.30
23 March 2016	150,000	32.30	32.05
	12,952,000		

Save as disclosed above, the Company has not made any repurchase of the Shares during the six months prior to the Latest Practicable Date.

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 Meeting Room S221, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong (use Harbour Road Entrance) on Friday, 13 May 2016 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);
“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;
“close associate” or “associate”	has the meaning ascribed to it under the Listing Rules;
“Company”	means Hysan Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Companies Ordinance”	means Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“core 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 director(s) of the Company;
“Group”	means the Company and its Subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People's Republic of China;
“Latest Practicable Date”	means 29 March 2016 being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“LHE”	means Lee Hysan Estate Company, Limited, a substantial shareholder holding approximately 41.32% equity interest in the Company;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;

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 the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Buy-backs published by Securities and Futures Commission.