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**IMPORTANT**

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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, you should at once hand this circular 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)

**MAJOR TRANSACTION  
SUCCESSFUL TENDER OF LAND  
BY JOINT VENTURE**

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## DEFINITIONS

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

“Acceptance Letter”	the letter of acceptance dated 12 May 2021 issued by the Lands Department to the Tenderer confirming the acceptance of the Tender submitted by the Tenderer
“Acquisition”	the acquisition of the Land under the terms of the Conditions of Sale
“Board”	the board of Directors of the Company
“Chime”	Chime Corporation Limited, a company incorporated in Hong Kong with limited liability and a member of the Chinachem Group
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Conditions of Sale”	the agreement and conditions of sale of the Land as set out in the Tender documents
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hysan” or “Company”	Hysan Development Company Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 14)
“Hysan Group”	Hysan and its subsidiaries
“JV MOA”	the binding memorandum of agreement dated 7 May 2021 entered into between the Company and Chime in relation to the formation of the Tenderer for the Acquisition and the development of the Land
“JV Partners”	the two joint venture partners, the Company and Chime, being parties to the JV MOA
“Land”	a piece of land known as Inland Lot No. 8945, situated at Caroline Hill Road, Causeway Bay, Hong Kong
“Land Premium”	the land premium of HK\$19,778 million, being the bidding price submitted by the Tenderer under the Tender and the consideration of the Acquisition
“Lands Department”	the Lands Department of the Government of Hong Kong

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## DEFINITIONS

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“Latest Practicable Date”	28 May 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum of Agreement”	the memorandum of agreement entered into between the Government of Hong Kong and the Tenderer in respect of the Acquisition
“Patchway BVI”	Patchway (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“sq. m.”	square metre, unit of area
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the sale of the Land by the Government of Hong Kong by way of public tender
“Tenderer”	Patchway Holdings (HK) Limited, a company incorporated in Hong Kong with limited liability and owned by Patchway BVI and Coastday Limited as to 60% and 40%, respectively
“Transactions”	the Acquisition and the joint venture arrangement contemplated under the JV MOA
“%”	per cent

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## LETTER FROM THE BOARD

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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:**

Lee Irene Yun-Lien (*Chairman*)  
Churchouse Frederick Peter\*\*  
Fan Yan Hok Philip\*\*  
Poon Chung Yin Joseph\*\*  
Wong Ching Ying Belinda\*\*  
Jebsen Hans Michael\*  
(*Yang Chi Hsin Trevor as his alternate*)  
Lee Anthony Hsien Pin\*  
(*Lee Irene Yun-Lien as his alternate*)  
Lee Chien\*  
Lee Tze Hau Michael\*

**Registered Office:**

50/F Lee Garden One  
33 Hysan Avenue  
Hong Kong

\* *Non-Executive Directors*

\*\* *Independent Non-Executive Directors*

3 June 2021

Dear Shareholders,

## MAJOR TRANSACTION SUCCESSFUL TENDER OF LAND BY JOINT VENTURE

### INTRODUCTION

Reference is made to the announcement of the Company dated 12 May 2021 in relation to the Acquisition and the related joint venture arrangement.

The purpose of this circular is, among other things, to provide you with (i) further details of the Transactions; and (ii) the financial information of the Hysan Group.

### THE TENDER AND THE ACQUISITION

On 12 May 2021, the Tenderer received the Acceptance Letter from the Lands Department confirming that its tender for the Land at the Land Premium of HK\$19,778 million has been accepted. The Tenderer was incorporated pursuant to the terms of a memorandum of agreement (i.e. the JV MOA) solely for the Acquisition and the development of the Land, and is indirectly held by the Company and Chime (a member of Chinachem Group) as to 60% and 40%, respectively. Pursuant to the JV MOA, tender commitments shall be contributed by the Company and Chime on a pro-rata basis. Therefore, the Hysan Group's commitment for the Transactions is HK\$11,867 million.

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## LETTER FROM THE BOARD

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### Date

12 May 2021

### Parties

- (1) The Government of Hong Kong as vendor; and
- (2) The Tenderer as purchaser.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Government of Hong Kong is a third party independent of the Company and its connected persons.

### Land Premium and the payment terms

The Land Premium payable is HK\$19,778 million and shall be settled by the Tenderer in the following manner:

- (i) a deposit of HK\$50 million, paid at the time when the Tender was submitted, has been applied in part payment of the Land Premium;
- (ii) a further deposit of HK\$1,928 million, paid within seven working days of the date of the Acceptance Letter, has also been applied towards partial payment of the Land Premium; and
- (iii) the remaining balance of HK\$17,800 million shall be paid within 28 days of the date of the Acceptance Letter.

The Land Premium, being the bidding price submitted by the Tenderer under the Tender, was determined by the JV Partners on arm's length basis, taking into account various factors including development prospects and the potential of the Land and the overall prospect of the property market in Hong Kong.

The Land Premium will be settled by the Tenderer with the capital contributed by the JV Partners in proportion to their respective shareholdings in the Tenderer.

### Information on the Land

Location:	Inland Lot No. 8945, located at Caroline Hill Road, Causeway Bay, Hong Kong
Site area:	Approximately 14,802 sq. m.
Maximum gross floor area:	100,000 sq. m.
Minimum gross floor area:	60,000 sq. m.
Term:	50 years from the date of the Memorandum of Agreement
Permitted use:	Non-industrial (excluding residential, godown and petrol filling station) purposes

In accordance with the terms of the Conditions of Sale, the Tenderer has entered into the Memorandum of Agreement with the Government of Hong Kong in respect of the Acquisition within 14 days of the date of the Acceptance Letter.

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## LETTER FROM THE BOARD

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### THE JOINT VENTURE

Pursuant to the terms of the JV MOA, the JV Partners have set up the Tenderer solely for the Acquisition and the development of the Land.

#### Date

7 May 2021

#### Parties to the JV MOA

- (1) The Company; and
- (2) Chime.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Chime and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### Subject matter

As at the Latest Practicable Date, the Tenderer was held by Patchway BVI (an indirect wholly-owned subsidiary of the Company) and Coastday Limited (an indirect wholly-owned subsidiary of Chime) as to 60% and 40%, respectively.

#### Capital commitment and project financing

Pursuant to the JV MOA, the JV Partners shall contribute to the Tenderer's Tender commitment (i.e. the Land Premium) in proportion to their respective shareholdings therein. As the Land Premium is HK\$19,778 million and Patchway BVI owns 60% interest in the Tenderer, the capital commitment of Patchway BVI shall be HK\$11,867 million. Other than Patchway BVI's capital commitment of HK\$11,867 million relating to the Land Premium, the Hysan Group has no other capital commitment under the JV MOA. It is intended that the capital commitment of Patchway BVI under the JV MOA and the Acquisition will be financed by the Hysan Group's internal resources and bank borrowings.

The amount of capital commitment of the JV Partners under the JV MOA was determined after arm's length negotiation between the JV Partners with reference to, among other factors, the Land Premium (i.e. the bidding price submitted by the Tenderer) and the JV Partners' respective shareholdings in the Tenderer.

The construction costs for developing the Land are estimated to be in the range of HK\$4,500 million to HK\$5,000 million, which shall be funded by way of a combination of shareholders' loans of the JV Partners to the Tenderer and external financing in the manner to be set out in a shareholders' agreement to be entered into between the JV Partners, and any guarantee, indemnity or security to be provided by the JV Partners in favour of lenders of external financing shall be made on several basis in proportion to their shareholdings in the Tenderer.

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## LETTER FROM THE BOARD

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### **Management of the Tenderer**

The board of directors of the Tenderer shall consist of not more than four directors, and each of the Company and Chime is entitled to nominate two directors. The chairman of the board of director of the Tenderer, who shall be nominated by the Company, shall have a casting vote.

### **Distribution policy**

The JV Partners shall be entitled to share the profits of the Tenderer in proportion to their respective equity interest.

### **Restriction on transfer of shares in the Tenderer**

The JV Partners shall not dispose of their interests in the Tenderer within the first eight years of the date of the last occupation permit in relation to the development of the Land. Any JV Partner wishing to dispose of its interest in the Tenderer shall grant the other JV Partner a right of first refusal.

### **Reserved matters**

According to the JV MOA, the Tenderer may not, without the unanimous consent of both of the JV Partners, decide and conduct various major decisions and actions typical of its kind, which shall include:

- (i) changing the nature or scope of its business, and if there are changes then they must still be consistent with the scope or purpose specified in the tender document; or
- (ii) entering into any transactions which are not on an arm's length basis.

It is expected that the JV Partners will enter into a shareholders' agreement within three months after the date of the Acceptance Letter or at such other date to be mutually agreed by the JV Partners.

### **FINANCIAL EFFECTS OF THE TRANSACTIONS ON THE HYSAN GROUP**

Immediately upon completion of the Acquisition, the financial effects of the Acquisition to the Hysan Group are: (i) an increase in asset (Investment properties under development) of approximately HK\$19,778 million; and (ii) an increase in liability (Amounts due to non-controlling interests) of approximately HK\$7,911 million. Save for the abovementioned, the Directors consider that the Acquisition will not have any other material effect on the total assets, total liabilities and earnings of the Hysan Group.

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Hysan Group's principal businesses are property investment, management and development.

The Board considers the Acquisition a strategic long-term investment for the Company. The project significantly expands the scale of Lee Gardens portfolio and reinforces Hysan's leading position in Causeway Bay. The potential value of the project will be enhanced by the proposed connectivity scheme, which offers a weatherproof and pleasant walking journey between Causeway Bay Mass Transit Railway station and the project.



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## LETTER FROM THE BOARD

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The Company believes Hong Kong will remain as a major international city and benefit from the Government's favorable Greater Bay Area policy and China's strong economic momentum. The Board considers that the Acquisition is in line with the business strategy to strengthen the investment property portfolio which will generate additional stable recurring rental income for the Hysan Group.

The terms of the JV MOA have been arrived at after arm's length negotiations between the JV Partners. Based on the above, the Board considers that the Transactions are conducted in the Hysan Group's ordinary and usual course of business, and that the Acquisition (including the terms of the Conditions of Sale and the Memorandum of Agreement) and the JV MOA (including the joint venture arrangement, and the financing and profit distribution arrangements contemplated thereunder) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### INFORMATION ON THE TENDERER AND THE HYSAN GROUP

The Tenderer, a special purpose vehicle owned as to 60% and 40% by Patchway BVI and Coastday Limited respectively, was incorporated pursuant to the terms of the JV MOA solely for the Acquisition and the development of the Land. The Tenderer constitutes a non-wholly owned subsidiary which will be accounted for on a consolidated basis in the accounts of the Hysan Group.

Patchway BVI is an indirect wholly-owned subsidiary of the Company and is principally engaged in property investment.

Coastday Limited is an indirect wholly-owned subsidiary of Chime. Both Coastday Limited and Chime are principally engaged in property investment.

The Hysan Group's principal businesses are property investment, management and development. The Hysan Group has a sizeable property portfolio in Hong Kong with one of its core businesses in property leasing.

### LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but all of the applicable percentage ratios are less than 100%, the Acquisition constitutes a major transaction of the Company.

The Acquisition is regarded as a Qualified Property Acquisition (as defined in Rule 14.04(10C) of the Listing Rules). The Board has confirmed that the Transactions are in the Hysan Group's ordinary and usual course of business, and that the Acquisition (including the terms of the Conditions of Sale and the Memorandum of Agreement) and the JV MOA (including the joint venture arrangement, and financing and profit distribution arrangements contemplated thereunder) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Acquisition is subject to reporting, announcement and circular requirements but is exempt from (i) the shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules and (ii) the requirement to include a valuation report in the circular pursuant to Rule 14.33B of the Listing Rules.

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## LETTER FROM THE BOARD

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To the best of the knowledge, information, and belief of the Directors, after having made all reasonable enquiries, as no Shareholder has material interests in the Transactions, no Shareholder would be required to abstain from voting if the Company is to convene a general meeting for approving the Transactions. However, the Transactions are exempt from shareholders' approval requirements pursuant to the Listing Rules, and therefore the Company is not required to convene an extraordinary general meeting for approving the Transactions.

### THE BOARD'S VIEW

The Board (including the Independent Non-Executive Directors) considers that the Transactions are conducted in the Hysan Group's ordinary and usual course of business, and that the Acquisition (including the terms of the Conditions of Sale and the Memorandum of Agreement) and the JV MOA (including the joint venture arrangement, and the financing and profit distribution arrangements contemplated thereunder) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors have any material interest in the Memorandum of Agreement and JV MOA.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,

**Lee Irene Yun-Lien**

*Chairman*

**1. FINANCIAL INFORMATION OF THE HYSAN GROUP**

The financial information of the Hysan Group:

- (i) for the year ended 31 December 2020 has been disclosed on pages 89 to 155 of the Company's 2020 annual report published on 30 March 2021;
- (ii) for the year ended 31 December 2019 has been disclosed on pages 115 to 180 of the Company's 2019 annual report published on 30 March 2020; and
- (iii) for the year ended 31 December 2018 has been disclosed on pages 121 to 184 of the Company's 2018 annual report published on 28 March 2019,

the aforesaid reports of the Company are available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.hysan.com.hk>).

**2. STATEMENT OF INDEBTEDNESS****Borrowings**

At the close of business on 30 April 2021, being the latest practicable date for the sole purpose of determining this statement of indebtedness and contingent liabilities of the Hysan Group prior to the date of this circular, save as otherwise disclosed herein, the Hysan Group had aggregate outstanding borrowings of approximately HK\$19,195 million, and the details are as follow:

	<i>HK\$ million</i>
Bank loans	
– Unsecured and guaranteed	2,355
Fixed rate notes	
– Unsecured and guaranteed	16,623
Amounts due to non-controlling interests	
– Unsecured and unguaranteed	217
Total	19,195

**Litigation**

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Hysan Group.

**General**

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities and normal accounts payable and bills payable in the ordinary course of business, the Hysan Group did not have any outstanding debt securities, term loans, mortgages, charges, debentures, bank loans and overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 30 April 2021.

**3. WORKING CAPITAL**

The Directors are of the opinion that, in the absence of unforeseeable circumstances, and taking into account of the Hysan Group's internal resources, cash flows from operations and the available facilities and the effect of the Acquisition, the Hysan Group will have sufficient working capital for its present requirements that is for at least the next 12 months from the date of this circular.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Hysan Group since 31 December 2020, being the date to which the Hysan Group's latest published audited consolidated financial statements were made up.

**5. FINANCIAL AND TRADING PROSPECTS**

For the year ended 31 December 2020, the Hysan Group's turnover was HK\$3,710 million, down 7.0% from HK\$3,988 million in 2019 with the impact of COVID-19 affecting all its three business sectors. Against this backdrop, as at 31 December 2020, the occupancy rate of the Hysan Group's office portfolio and retail portfolio were 95% and 96% respectively. The residential portfolio's occupancy rate was 74%.

The Hysan Group ensures a healthy financial position and a capital structure suitable for servicing its financing needs and sustainable growth. As at 31 December 2020, the Hysan Group had cash and bank deposits totalling approximately HK\$24,935 million (2019: HK\$9,332 million). In order to preserve liquidity and enhance interests yields, the Hysan Group invested HK\$454 million (2019: HK\$172 million) in debt securities. The Hysan Group's gearing ratio, measured by borrowings less time deposits, cash and cash equivalents divided by shareholders' funds, is a net cash position at year-end 2020 (2019: 3.9%).

Save as otherwise disclosed in the announcements, circulars, annual reports and interim reports of the Company, the Company is not aware of any material changes to the financial and trading prospects of the Hysan Group.

## 1. RESPONSIBILITY STATEMENT

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

## 2. INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), are set out below:

### (a) Aggregate long positions in shares and underlying shares of the Company

Name	Number of ordinary shares held				Total	% of the total no. of issued shares (Note a)
	Personal interests	Family interests	Corporate interests	Other interests		
Jebsen Hans Michael	60,984	–	2,473,316 (Note b)	–	2,534,300	0.244
Lee Chien	970,000	–	–	–	970,000	0.093
Lee Irene Yun-Lien	444,000	–	–	–	444,000	0.043

Notes:

- (a) These percentages were compiled based on the total number of issued shares of the Company (i.e. 1,039,706,891 ordinary shares) as at the Latest Practicable Date.
- (b) Such shares were held through a corporation in which Jebsen Hans Michael was a member entitled to exercise no less than one-third of the voting power at general meeting.

Executive Director(s) of the Company have been granted share options under the Company's share option schemes adopted on 10 May 2005 (the “2005 Scheme”) and 15 May 2015 (the “New Scheme”) (details are set out in the section headed “Long-term incentives: share option schemes” below). These constitute interests in underlying shares of equity derivatives of the Company under the SFO.

**(b) Aggregate long positions in shares of associated corporations**

Listed below is a Director's interest in the shares of Barrowgate Limited ("Barrowgate"), a 65.36% subsidiary of the Company:

Name	Number of ordinary shares held			% of the total no. of issued shares
	Corporate interests	Other interests	Total	
Jebsen Hans Michael	1,000	–	1,000	10 <i>(Note)</i>

*Note:*

Jebsen and Company Limited ("Jebsen and Company") held a 10% interest in the total number of issued shares in Barrowgate through a wholly-owned subsidiary. Jebsen Hans Michael was deemed to be interested in the shares of Barrowgate by virtue of being a controlling shareholder of Jebsen and Company.

Apart from the above, no other interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations as at the Latest Practicable Date were recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**(c) Long-term incentives: share option schemes**

Share options, which are unlisted and physically settled, to subscribe for shares were beneficially held by the following Director.

Name of Director	Number of outstanding share options as at the Latest Practicable Date	Date of grant	Exercise price HK\$	Exercise period
<b>2005 Scheme</b>				
Executive Director				
Lee Irene Yun-Lien	87,000	14 May 2012	33.50	14 May 2013 – 13 May 2022
	265,000	7 March 2013	39.92	7 March 2014 – 6 March 2023
	325,000	10 March 2014	32.84	10 March 2015 – 9 March 2024
	300,000	12 March 2015	36.27	12 March 2016 – 11 March 2025

Name of Director	Number of outstanding share options as at the Latest Practicable Date	Date of grant	Exercise price HK\$	Exercise period
<b>New Scheme</b>				
Executive Director				
Lee Irene Yun-Lien	375,000	9 March 2016	33.15	9 March 2017 – 8 March 2026
	300,000	23 February 2017	36.25	23 February 2018 – 22 February 2027
	373,200	1 March 2018	44.60	1 March 2019 – 29 February 2028
	494,200	22 February 2019	42.40	22 February 2020 – 21 February 2029
	650,000	21 February 2020	29.73	21 February 2021 – 20 February 2030
	664,000	26 February 2021	33.05	26 February 2022 – 25 February 2031

*Note:*

All options granted have a vesting period of three years in equal proportions starting from the first anniversary and become fully vested on the third anniversary of the grant. In this table, “exercise period” begins with the first anniversary of the grant date.

### 3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, substantial shareholders and other persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO and entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Name of substantial shareholders	Capacity	Number of shares of the Company held	% of the total no. of issued shares (Note)
Lee Hysan Company Limited	Beneficial owner	433,130,735	41.66
Silchester International Investors LLP	Investment manager	83,647,000	8.05
First Eagle Investment Management, LLC	Investment manager	52,460,214	5.05

*Note:*

These percentages were compiled based on the total number of issued shares of the Company (i.e. 1,039,706,891 ordinary shares) as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date and so far as is known to any Director or chief executive of the Company, no other person had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 4. DIRECTOR'S INTERESTS IN SUBSTANTIAL SHAREHOLDERS

Lee Anthony Hsien Pin, Lee Chien and Lee Tze Hau Michael, all being Non-Executive Directors, are directors of Lee Hysan Company Limited, a substantial shareholder of the Company.

Save as aforesaid, as at the Latest Practicable Date, so far as was known to the Directors, none of the other Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Hysan Group is engaged principally in the property investment, development and management of high quality investment properties in Hong Kong. The following Directors (excluding Independent Non-Executive Directors, in accordance with Listing Rules' disclosure requirements) are considered to have interests in other activities that compete or are likely to compete with the said core business of the Hysan Group, all within the meaning of the Listing Rules:

- (i) Jebsen Hans Michael and his alternate, Yang Chi Hsin Trevor, hold directorships in Jebsen and Company. Business activities of some of its subsidiaries include, inter alia, investment holding and property investment in both mainland China and Hong Kong. Jebsen Hans Michael is also a substantial shareholder of the companies.

Jebsen Hans Michael is an independent non-executive director of The Wharf (Holdings) Limited whose business includes, inter alia, property investment, development and management in both mainland China and Hong Kong; and

- (ii) Lee Chien is an independent non-executive director of Swire Pacific Limited whose business includes, inter alia, property investment and trading in Hong Kong, mainland China and the United States of America.

The Company's management team is separate and independent from that of the companies identified above. In addition, the relevant Directors have non-executive roles and are not involved in the Company's day-to-day operations and management.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have any interest in business which competed or was likely to compete, either directly or indirectly, with the business of the Hysan Group.



## 6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

On 22 June 2018, Barrowgate had entered into a lease and certain licence agreements with Jebsen and Company in relation to the leasing of certain office units, car parking spaces and other spaces at Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong for a term of a 3-year period from 1 September 2018 to 31 August 2021. Further details are set out in the announcement of the Company dated 22 June 2018.

On 19 March 2021, Earn Extra Investments Limited (a wholly-owned subsidiary of the Company) also had entered into a lease with Jebsen and Company in relation to the leasing of certain office units at Hysan Place, 500 Hennessy Road, Causeway Bay, Hong Kong for a term of a 3-year period from 1 November 2021 to 31 October 2024. Further details are set out in the announcement of the Company dated 19 March 2021.

Save as disclosed above, none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this circular which is significant in relation to the business of the Hysan Group.

## 7. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (i) none of the Directors had entered, or proposed to enter, into a service contract with any member of the Hysan Group which was not determinable by the relevant member of the Hysan Group within one year without payment of compensation, other than statutory compensation; and
- (ii) to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Hysan Group were made up), acquired or disposed of by, or leased to, any member of the Hysan Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Hysan Group.

## 8. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Hysan Group within the two years immediately preceding the date of this circular and which are or may be material.

**9. MISCELLANEOUS**

The Company's registered office and principal place of business is at 50/F Lee Garden One, 33 Hysan Avenue, Hong Kong.

The company secretary of the Company is Cheung Ka Ki, who is a solicitor of the High Court of Hong Kong.

The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this circular shall prevail over its Chinese text in case of inconsistency.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong for a period of 14 days from the date of this circular:

- (i) the articles of association of the Company;
- (ii) the annual reports of the Company for the years ended 31 December 2018, 2019 and 2020; and
- (iii) this circular.