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恒隆集團有限公司

HANG LUNG GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00010)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Hang Lung Group Limited (the “Company”) will be held at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, April 30, 2019 at 11:00 a.m. (the “Meeting”) for the following matters and purposes:

1. To receive and consider the audited financial statements and reports of the directors and of the auditor for the year ended December 31, 2018.
2. To declare a final dividend.
3. To re-elect retiring directors of the board and authorize the board of directors to fix directors’ fees.
4. To re-appoint auditor and authorize the board of directors to fix auditor’s remuneration.

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

5. “THAT:
 - (a) subject to paragraph (b) below, the exercise by the board of directors of the Company (the “Board”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of shares of the Company which may be bought back by the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognized for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Buy-backs pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate number of shares of the Company in issue at the date of passing this resolution (subject to adjustment according to paragraph (d) below), and the said approval shall be limited accordingly;

- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; and
- (d) if, after the passing of this resolution, the Company alters its share capital by converting its shares into a larger or smaller number of shares, the number of shares of the Company subject to the limit set out in paragraph (b) above shall be adjusted by being multiplied by the following fraction:

A/B where, A is the number of shares of the Company in issue immediately after such alteration; and B is the number of shares of the Company in issue immediately before the alteration. Such adjustment shall take effect at the same time as the alteration takes effect.”

6. “THAT:

- (a) subject to paragraph (c) below, pursuant to section 141 of the Companies Ordinance, the exercise by the Board during the Relevant Period (as defined in resolution 5(c) in the notice of the Meeting (the “Notice”)) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to allot, issue or grant securities convertible into shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Board during the Relevant Period to allot, issue or grant securities convertible into shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of: (aa) 20 per cent of the aggregate number of the shares of the Company in issue at the date of passing this resolution (subject to adjustment according to paragraph (e) below) plus (bb) if the Board is so authorized by a separate ordinary resolution of the shareholders of the Company set out as resolution 7 in the Notice, the number of the shares

of the Company bought back by the Company subsequent to the passing of this resolution, up to a maximum equivalent to 10 per cent of the aggregate number of the shares of the Company in issue at the date of passing this resolution (subject to adjustment according to paragraph (e) below), and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution:

“Rights Issue” means an offer of shares or other securities giving the right to subscribe for shares in the Company, open for a period fixed by the Board to holders of shares of the Company (and where appropriate, to holders of other securities of the Company entitled to the offer) or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) or class thereof (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong); and

- (e) if, after the passing of this resolution, the Company alters its share capital by converting its shares into a larger or smaller number of shares, the number of shares of the Company subject to the limits set out in sub-paragraphs (aa) and (bb) of paragraph (c) above shall be adjusted by being multiplied by the following fraction:

A/B where, A is the number of shares of the Company in issue immediately after such alteration; and B is the number of shares of the Company in issue immediately before the alteration. Such adjustment shall take effect at the same time as the alteration takes effect.”

7. “THAT the Board be and it is hereby authorized to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution 6 in the Notice in respect of the shares of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

By Order of the Board
Margaret Ka Man YAN
Company Secretary

Hong Kong, March 22, 2019

Registered Office:

28th Floor
4 Des Voeux Road Central
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the Meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a shareholder of the Company.
2. In order to be valid, all proxies must be deposited at the registered office of the Company at 28th Floor, 4 Des Voeux Road Central, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
3. The register of members will be closed from Thursday, April 25, 2019 to Tuesday, April 30, 2019, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, April 24, 2019.
4. The register of members will be closed on Tuesday, May 7, 2019, on which no share transfers will be effected. In order to qualify for the proposed final dividend (subject to shareholders' approval at the Meeting), all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, May 6, 2019.
5. Pursuant to rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the Meeting, the chairman of the Meeting will exercise his power under article 74 of the articles of association of the Company to put each of the resolutions set out in the Notice to be voted by way of poll. On a poll, every shareholder present in person (or in the case of a corporation by its corporate representative) or by proxy shall have one vote for each share of which he/she is the holder.
6. With regard to matters numbers 1, 2, 3 and 4 set out in the Notice, relevant ordinary resolutions will be considered and, if thought fit, passed for each of these matters at the Meeting.
7. With regard to matter number 3 regarding, among other things, re-election of retiring directors of the Board, separate ordinary resolutions will be considered and, if thought fit, passed at the Meeting to:
 - (a) re-elect Mr. Simon S.O. IP as director of the Company.
 - (b) re-elect Mr. Ronnie C. CHAN as director of the Company.
 - (c) re-elect Mr. Weber W.P. LO as director of the Company.
 - (d) re-elect Mr. H.C. HO as director of the Company.
8. The results of the poll will be published on the Company's website at www.hanglunggroup.com and Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk on the date of the Meeting.
9. Details of the businesses to be transacted at the Meeting are set out in this Notice under the "Business of the Meeting".
10. **Shareholders or proxies who attend the Meeting in person will each receive ONE refreshment pack as a token of the Company's appreciation. If the shareholder or proxy is also appointed as a proxy of one other shareholder, he/she will receive TWO refreshment packs in total. If he/she represents two or more shareholders, the number of refreshment packs he/she will receive is limited to THREE. Allocation of refreshment packs will be subject to availability and at the Company's absolute discretion.**
11. As at the date of the Notice, the Board comprises the following directors:
Executive directors: Mr. Ronnie C. CHAN, Mr. Weber W.P. LO, Mr. H.C. HO and Mr. Adriel W. CHAN
Non-executive directors: Mr. Gerald L. CHAN, Mr. George K.K. CHANG and Mr. Roy Y.C. CHEN
Independent non-executive directors: Mr. Simon S.O. IP, Prof. P.W. LIU, Prof. L.C. TSUI and Mr. Martin C.K. LIAO

BUSINESS OF THE MEETING

RESOLUTION 1 – RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited financial statements together with reports of the directors and of the auditor for the year ended December 31, 2018 are set out in the 2018 annual report.

The financial statements have been audited by KPMG and reviewed by the audit committee.

RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND

The Board has recommended a final dividend of HK61 cents per share of the Company. Subject to the shareholders' approval at the Meeting, such dividend is expected to be paid on or about May 21, 2019 to shareholders whose names appear on the register of members on May 7, 2019.

The register of members will be closed on Tuesday, May 7, 2019, on which no share transfers will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, May 6, 2019.

RESOLUTION 3 – RE-ELECTION OF RETIRING DIRECTORS AND DETERMINATION OF DIRECTORS' FEES

Re-election of Retiring Directors

Mr. Weber W.P. LO, being executive director of the Company newly appointed on May 16, 2018, will retire from the Board at the Meeting in accordance with article 94 of the Company's articles of association and, being eligible, offer himself for re-election.

In accordance with article 103 of the Company's articles of association, Mr. Simon S.O. IP, Mr. Ronnie C. CHAN and Mr. H.C. HO will retire from the Board by rotation at the Meeting and, being eligible, offer themselves for re-election. Pursuant to the code provision set out in paragraph A.4.3 of appendix 14 to the Listing Rules, any further appointment of independent non-executive directors serving more than nine years should be subject to a separate resolution to be approved by shareholders.

Mr. Simon S.O. IP is an independent non-executive director who has served on the Board for more than nine years. He has satisfied all the criteria for independence set out in rule 3.13 of the Listing Rules and provided annual confirmation of independence to the Company. He has exercised impartial judgment and given independent guidance to the Company during his tenure of office. The Board considers that the long service of Mr. Ip has enabled him to get an in-depth understanding of the Group's business and operations. He is also the chairman of the audit committee and member of the nomination and remuneration committee. In view of the above and with his firm commitment to his role, the Board considers that he is independent and will continue to remain it.

Mr. Ip has also provided diversity of experience, skills, expertise and background to the Board. He is a solicitor and Notary Public with extensive legal and regulatory expertise and experience. With his distinguished record of public service, profound professional experience and dedication to high standard of corporate governance, he has provided valuable and independent advice and guidance on the Group's strategies and policies, risk management and corporate governance.

Shareholders are recommended to vote in favor of the resolutions regarding re-election of the above directors as the Board believes that their qualifications and related expertise will continue to bring a wide range of business experience to the Board. Details of these directors are set out in Appendix I to the Notice.

Determination of Directors' Fees

The nomination and remuneration committee makes recommendations to the Board on the directors' fees for the year ending December 31, 2019.

RESOLUTION 4 – RE-APPOINTMENT OF AUDITOR AND DETERMINATION OF AUDITOR'S REMUNERATION

The audit committee has recommended to the Board the re-appointment of KPMG as the auditor of the Company until the conclusion of the next annual general meeting.

Shareholders' approval to delegate the authority to the Board to determine the auditor's remuneration for the year ending December 31, 2019 is required at the Meeting.

RESOLUTION 5 – SHARE BUY-BACK MANDATE

At the annual general meeting of the Company held on April 26, 2018, an ordinary resolution was passed giving a general mandate to the Board to buy back shares of the Company. This general mandate will lapse at the conclusion of the Meeting unless it is renewed at the Meeting. Accordingly, shareholders' approval to give the Board a general mandate to buy back shares of the Company is required at the Meeting.

An explanatory statement, as required by the Listing Rules, is set out in Appendix II to the Notice. Shareholders are recommended to vote in favor of this proposed resolution as it is considered to be in the best interests of the Company and its shareholders.

RESOLUTIONS 6 AND 7 – GENERAL MANDATES TO ISSUE SHARES

At the annual general meeting of the Company held on April 26, 2018, ordinary resolutions were passed giving general mandates to the Board to allot, issue and deal with additional shares of the Company. No shares of the Company have been issued under these mandates and these mandates will lapse at the conclusion of the Meeting unless they are renewed at the Meeting. Accordingly, shareholders' approval is required at the Meeting to give the Board general mandates to:

- (i) allot, issue and deal with additional shares of the Company not exceeding 20 per cent of the aggregate number of shares of the Company in issue as at the date of the Meeting (subject to adjustment in the case of any sub-division and consolidation of shares of the Company after the Meeting); and
- (ii) extend the mandate to allot, issue and deal with the shares of the Company by adding shares bought back (up to a maximum of 10 per cent of the aggregate number of shares of the Company in issue as at the date of the Meeting (subject to adjustment in the case of any sub-division and consolidation of shares of the Company after the Meeting)) to the 20 per cent mandate.

The Board has no immediate plans to issue any new shares of the Company. Shareholders are recommended to vote in favor of these proposed resolutions as they are considered to be in the best interests of the Company and its shareholders.

The following are the particulars of the four retiring directors proposed to be re-elected at the Meeting:

1. **Mr. Simon Sik On IP**, aged 70, an independent non-executive director, the chairman of the audit committee and a member of the nomination and remuneration committee of the Company. Mr. Ip joined the Board in 1998.

Mr. Ip is a solicitor and Notary Public. He has a distinguished record of public service. Mr. Ip is a former Legislative Councillor, past president of the Law Society of Hong Kong, a past member of the Exchange Fund Advisory Committee, a past member of The Advisory Committee on Post-service Employment of Civil Servants and a member of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials. He is also a former chairman of the Hong Kong Jockey Club. Mr. Ip is the founding chairman of the Hong Kong Institute of Education (now known as The Education University of Hong Kong) and holds honorary positions in two local universities and Tsinghua University. He is an independent non-executive director of 長飛光纖光纜股份有限公司 (Yangtze Optical Fibre and Cable Joint Stock Limited Company). He was awarded the Gold Bauhinia Star in July 2017.

Mr. Ip, who has served on the Board for more than nine years, confirmed that he has satisfied all factors set out in rule 3.13 of the Listing Rules in assessing his independence.

Save as disclosed above, Mr. Ip did not hold any other directorships in any other listed public companies in the last three years and does not have any relationship with any directors of the Board, senior management, substantial shareholders or controlling shareholders of the Company.

As at March 15, 2019, the latest practicable date, the Company received no notification of Mr. Ip having any interest in the securities of the Company and its associated corporation within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”). The amount of emoluments paid for the year ended December 31, 2018 to Mr. Ip is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 162 of the Company’s 2018 annual report. The emoluments were determined with reference to his duty and responsibility (for serving on the Board, the audit committee and the nomination and remuneration committee of the Company). Mr. Ip does not have a service contract with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company’s articles of association and the Listing Rules.

Save as disclosed above, there are no other matters concerning Mr. Ip that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

2. **Mr. Ronnie Chichung CHAN**, aged 69, chairman of the Company. Mr. Chan joined the Group in 1972, and became chairman in 1991. He also serves as chairman of Hang Lung Properties Limited (“HLP”), the Company’s major publicly listed subsidiary, and on the boards of a number of subsidiaries of the Company.

Mr. Chan is vice-president of The Real Estate Developers Association of Hong Kong, chairman emeritus of Asia Society and chairman of its Hong Kong Center. He is also a former chairman of the executive committee of One Country Two Systems Research Institute, and former vice president and former advisor of the China Development Research Foundation in Beijing. Mr. Chan sits on the governing or advisory bodies of several think-tanks and universities, including Peterson Institute for International Economics, The Hong Kong University of Science and Technology, and University of Southern California, USA, where he received his MBA. He is a fellow of the American Academy of Arts and Sciences.

Save as disclosed above, Mr. Chan did not hold any other directorships in any other listed public companies in the last three years. Mr. Chan is a son of Ms. Chan Tan Ching Fen (founder of the trust which is a substantial shareholder of the Company (the “Trust”)), the father of Mr. Adriel W. Chan (executive director of the boards of the Company and HLP), the brother of Mr. Gerald L. Chan and a cousin of Mr. Roy Y.C. Chen (both non-executive directors of the Company). Mr. George K.K. Chang (non-executive director of the Company) is an employee of Morningside Group, which was co-founded by Mr. Chan and Mr. Gerald L. Chan and is currently chaired by Mr. Gerald L. Chan. Save as disclosed above, Mr. Chan does not have any relationship with any directors of the Board, senior management, substantial shareholders or controlling shareholders of the Company.

As at March 15, 2019, the latest practicable date, in respect of Mr. Chan’s interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO, he notified the Company that he has interest in 11,790,000 shares in the Company, 16,330,000 shares in HLP, and share options to subscribe for 21,000,000 shares in HLP pursuant to the share option schemes of HLP. The amount of emoluments paid for the year ended December 31, 2018 to Mr. Chan is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 162 of the Company’s 2018 annual report. The emoluments were determined by the scope of responsibility and accountability (for serving on the boards of the Company and HLP), and his individual performance, taking into consideration of the Group’s performance and profitability, market practice and prevailing business conditions. Mr. Chan has not been appointed for a specific length of service but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company’s articles of association and the Listing Rules.

Save as disclosed above, there are no other matters concerning Mr. Chan that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

3. **Mr. Weber Wai Pak LO**, aged 48, chief executive officer and an executive director of the Company. Mr. Lo joined the Company and its major listed subsidiary, HLP, as chief executive officer designate in May 2018, and became chief executive officer with effect from July 16, 2018. He also serves on the boards of a number of subsidiaries of the Company.

Mr. Lo has more than 25 years of experience in business management across the banking and fast-moving consumer goods sectors in Hong Kong and Mainland China. He graduated from The University of Hong Kong in 1993 with a Bachelor of Social Sciences degree.

Save as disclosed above, Mr. Lo did not hold any other directorships in any other listed public companies in the last three years and does not have any relationship with any directors of the Board, senior management, substantial shareholders or controlling shareholders of the Company.

As at March 15, 2019, the latest practicable date, in respect of Mr. Lo's interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO, he notified the Company that he has interest in share options to subscribe for 10,000,000 shares in HLP pursuant to a share option scheme of HLP. The amount of emoluments paid for the year ended December 31, 2018 to Mr. Lo is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 162 of the Company's 2018 annual report. The emoluments were determined by the scope of responsibility and accountability (for serving on the boards of the Company and HLP), and his individual performance, taking into consideration of the Group's performance and profitability, market practice and prevailing business conditions. Mr. Lo has not been appointed for a specific length of service but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

Save as disclosed above, there are no other matters concerning Mr. Lo that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

4. **Mr. Hau Cheong HO**, aged 59, chief financial officer and an executive director of the Company. Mr. Ho joined the Group in 2008 and was appointed to the Board and the board of its publicly listed subsidiary, HLP, in 2010. He also serves as chief financial officer of HLP and on the boards of a number of subsidiaries of the Company.

Mr. Ho possesses over 30 years of management experience covering a wide range of industries in England, Australia, Hong Kong and Mainland China. He qualified as a chartered accountant in England and Wales and Australia and holds an MBA from the University of Melbourne, Australia and a Bachelor of Commerce Degree in Accounting from the University of Birmingham, UK.

Save as disclosed above, Mr. Ho did not hold any other directorships in any other listed public companies in the last three years and does not have any relationship with any directors of the Board, senior management, substantial shareholders or controlling shareholders of the Company.

As at March 15, 2019, the latest practicable date, in respect of Mr. Ho's interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO, he notified the Company that he has interest in share options to subscribe for 11,700,000 shares in HLP pursuant to the share option schemes of HLP. The amount of emoluments paid for the year ended December 31, 2018 to Mr. Ho is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 162 of the Company's 2018 annual report. The emoluments were determined by the scope of responsibility and accountability (for serving on the boards of the Company and HLP), and his individual performance, taking into consideration of the Group's performance and profitability, market practice and prevailing business conditions. Mr. Ho has not been appointed for a specific length of service but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

Save as disclosed above, there are no other matters concerning Mr. Ho that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

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The following is the explanatory statement required to be sent to shareholders under the Listing Rules in connection with the general mandate for buy-backs of shares of the Company to be proposed at the Meeting to be held on April 30, 2019. This explanatory statement also constitutes the memorandum required by section 239 of the Companies Ordinance.

Share Capital – Number of Shares in Issue

It is proposed that a maximum of 10 per cent of the aggregate number of shares of the Company (the “Shares”) in issue as at the date of the resolution approving the grant of a share buy-back mandate (the “Resolution”) (subject to adjustment in the case of any sub-division and consolidation of Shares after the Meeting) may be bought back. As at March 15, 2019, being the latest practicable date for determining such figure, the aggregate number of Shares in issue was 1,361,618,242. Subject to the passing of the Resolution and on the basis of such figure (and assuming no Shares are issued or bought back after March 15, 2019 and up to the date of passing the Resolution), the Board would be authorized to buy back Shares up to a limit of 136,161,824 Shares.

Reasons for Buy-backs

The Board believes that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Board to buy back Shares on the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Board believes that such buy-backs will benefit the Company and its shareholders.

Funding of Buy-backs

Buy-backs pursuant to the mandate would be funded from the available cash flow and/or working capital facilities of the Company. The funds applied by the Company in this connection would be those legally available for such purpose under the Company’s articles of association and the applicable laws of Hong Kong.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended December 31, 2018 in the event that the buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Board does not propose to exercise the buy-back 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 Board are from time to time appropriate for the Company.

Disclosure of Interest

None of the directors of the Board nor (to the best of the knowledge of the directors of the Board having made all reasonable enquiries) any of their close associates (as defined in the Listing Rules) have any present intention, in the event that the buy-back mandate is granted by shareholders, to sell Shares to the Company.

No core connected persons (as defined in the Listing Rules) have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the buy-back mandate is granted by shareholders.

Undertaking

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the buy-back mandate in accordance with the Listing Rules and the laws of Hong Kong.

Code on Takeovers and Mergers

If as a result of a share buy-back 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 Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at March 15, 2019, being the latest practicable date prior to the printing of this document, Meression Limited (company under the Trust) held 498,428,580 Shares, representing 36.61 per cent of the aggregate number of Shares in issue. Ms. Chan Tan Ching Fen was the founder, Cole Enterprises Holdings (PTC) Limited was the trustee and Mr. Adriel W. Chan was a discretionary beneficiary of the Trust. Based on such interests, in the event that the Board exercised in full the power to buy back Shares which is proposed to be granted at the Meeting, the interests in the aggregate number of Shares in issue would be increased from 36.61 per cent to 40.67 per cent, and such increase will give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code.

The Board has no present intention for the Company to exercise the buy-back mandate to such an extent as would give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code.

Share Buy-back made by the Company

No buy-back of Shares have been made by the Company whether on the Stock Exchange or otherwise in the six months prior to the latest practicable date.

Share Prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months are as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2018		
March	27.85	25.60
April	25.95	23.50
May	25.80	23.60
June	24.65	21.70
July	23.25	20.80
August	23.30	21.35
September	22.20	19.50
October	20.85	19.12
November	21.85	19.30
December	22.15	19.56
2019		
January	23.50	19.24
February	25.00	22.50
March (up to the latest practicable date)	24.60	23.45