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

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If you are in any doubt about this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hysan Development Company Limited 希慎興業有限公司 (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**HYSAN DEVELOPMENT COMPANY LIMITED**

**希慎興業有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00014)

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSALS FOR  
RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES**

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The notice convening the annual general meeting of the Company (“AGM” or “Annual General Meeting” or “Meeting”) to be held at 50/F, Lee Garden One, 33 Hysan Avenue, Hong Kong together with an online virtual meeting on Thursday, 19 May 2022 at 4:00 p.m. is set out in this circular on pages 4 to 7.

In light of the continuing risks posed by the COVID-19 pandemic, the Company is adopting special arrangements for the AGM as set out in this circular on pages 1 to 2. **Shareholders of the Company (“Shareholders”) will NOT be able to attend in person, but may view and listen to the AGM by live online webcast. Shareholders who wish to vote at the AGM should complete and return the Form of Proxy, appointing the chairman of the AGM as their proxies,** to the Company’s Registrar, Tricor Standard Limited, of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding of the AGM (or any adjournment thereof). No gifts or souvenirs will be distributed for the AGM.

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## SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING

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According to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F of the Laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Gathering) Regulation (Cap. 599G of the Laws of Hong Kong) (together, the “**Regulations**”), physical general meetings during a “specified period” (as defined in the Regulations) are currently prohibited to promote and maintain social distancing. As of the Latest Practicable Date, based on announcements made by the HKSAR Government, the Regulations will remain in effect until 20 April 2022, but may be extended by the HKSAR Government. In accordance with these Regulations, taking into account the need to protect AGM attendees from possible exposure to the COVID-19 pandemic and the paramount importance of the safety and wellbeing of the Shareholders, our staff and other members of the community, the Company would be adopting special arrangements for the AGM to minimize attendance in person, while still enabling Shareholders to vote and ask questions. Details of the special arrangements for the AGM are set out below.

### **ATTENDING THE AGM BY ELECTRONIC MEANS**

The AGM will be held with the minimum number of persons present as is required under the Articles of Association of the Company to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the Meeting. The quorum will be formed by directors of the Company (“**Directors**”) or other senior staff members who are Shareholders or proxies. The inability of any Shareholder or his/her proxy or (in the case of a Shareholder being a corporation) its duly authorized representative to access, or continue to access the live online webcast system shall not affect the validity of the Meeting or the resolutions passed, or any business conducted at the Meeting or any action taken pursuant to such business provided that a quorum is present throughout the Meeting.

Given the above reasons, **NO other Shareholder, proxy or corporate representative should attend the AGM in person.** Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the Meeting, any other person will not be permitted entry to the venue of the AGM.

Shareholders shall view and listen to the AGM through a live online webcast system (“**e-Meeting System**”) provided by the Company’s Registrar, Tricor Standard Limited. The e-Meeting System will be opened for the Shareholders to log in approximately 30 minutes prior to the commencement of the Meeting from any location with access to the internet with a smart phone, tablet or computer.

Details regarding the e-Meeting System including the login details will be sent to the registered Shareholders 10 business days before the AGM.

Non-registered Shareholders whose shares are held in the Central Clearing and Settlement System through banks, brokers, custodians, nominees or Hong Kong Securities Clearing Company Limited (as the case may be) (collectively the “**Intermediary**”) should instruct their Intermediary to appoint them as proxies or corporate representatives to view and listen to the AGM via e-Meeting System and in doing so, they will be asked to provide their email address. Details regarding the e-Meeting System including the login details will be emailed to them by the Company’s Registrar, Tricor Standard Limited.

Further, in line with the guidance jointly provided by the Stock Exchange and Securities and Futures Commission on 1 April 2020, there will be **NO distribution of gifts or souvenirs for the AGM.**

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## SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING

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### QUESTIONS AT AND PRIOR TO THE AGM

Shareholders viewing and listening to the AGM using the e-Meeting System will be able to raise questions relating to the proposed resolutions by text. Shareholders can also send their questions in writing before the Meeting, to the registered office of the Company or to the email at [investor@hysan.com.hk](mailto:investor@hysan.com.hk).

The Company will endeavor to address relevant questions in relation to the proposed resolutions. The Company may not be able to answer all the questions during the time allocated. Unanswered questions may be responded to after the Meeting.

### APPOINTMENT OF PROXY

Shareholders shall exercise their voting rights by submitting a Form of Proxy appointing the chairman of the AGM as their proxies, to the Company's Registrar, Tricor Standard Limited, of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as early as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the AGM (or any adjournment thereof). Any person appointed by the Shareholders as proxy other than the chairman of the AGM will not be permitted entry to the Meeting and will not be able to exercise their vote.

If Shareholders have any questions relating to the AGM, please contact the Company's Registrar, Tricor Standard Limited with following details:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: [emeeting@hk.tricorglobal.com](mailto:emeeting@hk.tricorglobal.com)

Telephone: +852 2975 0928

Fax: +852 2861 1465

Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the HKSAR Government and/or regulatory authorities, the Company may implement further precautionary measures and change the AGM arrangements at short notice and may announce further updates on the websites of the Company ([www.hysan.com.hk](http://www.hysan.com.hk)) and/or the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as and when appropriate. **Shareholders should check the latest announcements published by the Company for further updates on the AGM arrangements.**

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LETTER FROM THE BOARD OF DIRECTORS

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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*)

Lui Kon Wai (*Executive Director and Chief Operating Officer*)

Churchouse Frederick Peter\*\*

Fan Yan Hok Philip\*\*

Poon Chung Yin Joseph\*\*

Wong Ching Ying Belinda\*\*

Young Elaine Carole\*\*

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*

31 March 2022

Dear Shareholders,

The Company's AGM will be held on Thursday, 19 May 2022 at 4:00 pm. Notice of the AGM is set out on pages 4 to 7. Information regarding the business to be considered at the AGM is set out on pages 8 to 11.

You are advised to read this circular. In light of the pandemic situation of COVID-19, Shareholders will **NOT** be able to attend in person, but may view and listen to the AGM using e-Meeting System. The board of Directors ("**Board**") considers that the proposed resolutions as set out in the Notice of the AGM are in the best interests of the Company and its Shareholders as a whole, and recommends you to vote in favour of all the resolutions.

Information regarding the special arrangements to be implemented at the AGM are set out on pages 1 to 2.

If you have any questions concerning the AGM, please contact the Company's Registrar (telephone: +852 2980 1333).

Yours faithfully,

**Lee Irene Yun-Lien**

*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of the members of Hysan Development Company Limited 希慎興業有限公司 will be held at 50/F, Lee Garden One, 33 Hysan Avenue, Hong Kong together with an online virtual meeting on Thursday, 19 May 2022 at 4:00 p.m. for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31 December 2021 together with the Reports of Directors and Auditor thereon.
2. To re-elect Directors.
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and authorize the Directors to fix their remuneration.

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

### ORDINARY RESOLUTIONS

4. **“That:**
  - (a) subject to paragraphs (b) to (d), a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and deal with additional shares of the Company, to make or grant offers, agreements or options which would or might require the exercise of such powers, and to grant rights to subscribe for, or to convert any security into, shares in the Company;
  - (b) the mandate in paragraph (a) shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to a share option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below), 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, or (iv) the exercise of rights to subscribe for, or convert any security into shares provided that the right has been approved in advance by a resolution of the Company whether conditionally or unconditionally, shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this Resolution and the said mandate shall be limited accordingly;
  - (d) any shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the mandate in paragraph (a) of this Resolution shall not be at a discount of more than 10% to the Benchmarked Price (as defined below) of such shares; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(e) for the purpose of this Resolution:

“Benchmarked Price” means the price which is the higher of:

- (i) the closing price of the shares as quoted on the Stock Exchange on the date of the agreement involving the relevant proposed issue of the shares; and
- (ii) the average closing price as quoted on the Stock Exchange of the shares for the five trading days immediately preceding the earlier of:
  - (A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of the shares;
  - (B) the date of the agreement involving the relevant proposed issue of shares; and
  - (C) the date on which the price of the shares that are proposed to be issued is fixed.

“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; or
- (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 restrictions under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

5. **“That:**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase or otherwise acquire shares of the Company on the Stock Exchange in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), provided that the aggregate number of shares so purchased or otherwise acquired shall not exceed 10% of the total 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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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; or
- (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

**Lee Irene Yun-Lien**

*Chairman*

Hong Kong, 31 March 2022

*Notes:*

1. As set out in the “Special Arrangements for the Annual General Meeting” (on pages 1 to 2 of the circular of which this notice forms part), as Shareholders will NOT be able to attend in person, but may view and listen to the AGM by e-Meeting System, Shareholders who wish to vote at the AGM shall complete and return the original of the completed form of proxy, appointing the chairman of the AGM as their proxies, to the Company’s Registrar, Tricor Standard Limited, of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding of the AGM (or any adjournment thereof). Form of proxy sent electronically will not be accepted.
2. The register of members will be closed from Monday, 16 May 2022 to Thursday, 19 May 2022, both dates inclusive. In order to be entitled to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:00 pm on Friday, 13 May 2022.
3. Detailed information on the business to be transacted at the Meeting is set out in the section “Business of the Meeting” of the circular sent to Shareholders of which this notice forms part.
4. Each of the resolutions set out in this notice will be voted by poll.
5. If a Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions after super typhoons” announced by the HKSAR Government is/are in force at or at any time after 12:00 noon on the date of the Meeting, or in the event that the COVID-19 situation requires the date of the AGM to be changed, the Meeting will be automatically postponed or adjourned. The Company will post an announcement on the websites of the Company ([www.hysan.com.hk](http://www.hysan.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify Shareholders of the date, time and place of the rescheduled meeting.

The Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. In light of the continuing risks posed by the COVID-19 pandemic and for the purpose of public health and safety, the Company is adopting following special arrangements for the AGM:
- (a) The AGM will be held with the minimum number of persons present as is required under the Articles of Association of the Company to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the Meeting. The quorum will be formed by Directors or other senior staff members who are Shareholders or proxies. The inability of any Shareholder or his/her proxy or (in the case of a Shareholder being a corporation) its duly authorized representative to access, or continue to access the e-Meeting System shall not affect the validity of the Meeting or the resolutions passed, or any business conducted at the Meeting or any action taken pursuant to such business provided that a quorum is present throughout the Meeting.
  - (b) Given the above reasons, NO other Shareholder, proxy or corporate representative should attend the AGM in person. Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the Meeting, any other person will not be permitted entry to the venue of the AGM.
  - (c) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. The proxy need not to be a member of the Company. Given the abovementioned special arrangements for the AGM, Shareholders will still be able to vote in advance of the AGM. If Shareholders wish to vote on any resolution at the AGM, they shall appoint the chairman of the AGM as their proxies to exercise their right to vote at the AGM in accordance with their instructions. If they appoint a person who is not the chairman of the AGM as their proxies, that person will not be permitted entry to the Meeting and will not be able to exercise their vote.
  - (d) Shareholders shall view and listen to the AGM through the e-Meeting System. The e-Meeting System will be opened for the Shareholders to log in approximately 30 minutes prior to the commencement of the Meeting from any location with access to the internet with a smart phone, tablet or computer.
  - (e) Shareholders viewing and listening to the AGM using the e-Meeting System will be able to raise questions relating to the proposed resolutions by text. Shareholders can also send their questions in writing before the Meeting, to the registered office of the Company or the email at investor@hysan.com.hk. The Company will endeavor to address relevant questions in relation to the proposed resolutions. The Company may not be able to answer all the questions during the time allocated. Unanswered questions may be responded to after the Meeting.
  - (f) There will be NO distribution of gifts or souvenirs at the AGM.
7. If Shareholders have any questions relating to the AGM, please contact the Company's Registrar, Tricor Standard Limited with following details:
- Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong  
Email: [emeeting@hk.tricorglobal.com](mailto:emeeting@hk.tricorglobal.com)  
Telephone: +852 2975 0928  
Fax: +852 2861 1465
8. Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the HKSAR Government and/or regulatory authorities, the Company may implement further precautionary measures and change the AGM arrangements at short notice and may announce further updates on the websites of the Company and/or the Stock Exchange as and when appropriate. **Shareholders should check the latest announcements published by the Company for further updates on the AGM arrangements.**

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## BUSINESS OF THE MEETING

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### RESOLUTION 1 – RECEIVING 2021 FINANCIAL STATEMENTS

1. The full audited financial statements together with the Reports of Directors and Auditor thereon, are set out on pages 107 to 160, pages 94 to 100 and pages 103 to 106 of the Annual Report 2021.
2. The audited financial statements have been reviewed by the audit and risk management committee of the Company (“**Audit and Risk Management Committee**”). A report of the Audit and Risk Management Committee is set out on pages 77 to 80 of the Annual Report 2021.

### RESOLUTION 2 – RE-ELECTION OF DIRECTORS

3. Fan Yan Hok Philip, Jebson Hans Michael, Lee Anthony Hsien Pin and Wong Ching Ying Belinda will retire and, being eligible, offer themselves for re-election at the AGM in accordance with Article 114 of the Company’s Articles of Association. Their proposed re-election will be considered by separate resolutions.
4. According to Article 97 of the Company’s Articles of Association, a Director appointed as an addition to the Board shall hold office only until the next following annual general meeting. Lui Kon Wai and Young Elaine Carole, appointed as addition to the Board, will accordingly retire and, being eligible, offer themselves for re-election at the AGM. Their proposed re-election will be considered by separate resolutions.
5. In considering the re-appointment of any existing members of the Board, the nomination committee of the Company (“**Nomination Committee**”) shall review the overall contribution to the Company of the retiring Directors, the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), as well as selection criteria set out in the Nomination Policy and Diversity Policy of the Company. The Nomination Committee will then make recommendations to the Board for its consideration, with the Board determining whether to recommend the proposed candidates for re-election at a general meeting. Further details of the Board’s composition and diversity (including Directors’ gender, age, length of services and skill matrix), Directors’ attendance record at Board and Board Committee meetings, and the number of other public company directorships held by the Directors are disclosed in the Corporate Governance Report of the Annual Report 2021.
6. The Nomination Committee, having reviewed the Board’s composition, recommended to the Board the re-election of Mr. Fan, Mr. Jebson, Mr. Lee, Ms. Wong, Mr. Lui and Ms. Young at the AGM. Mr. Fan, a member of the Nomination Committee, abstained from voting at the Nomination Committee meeting when his own nomination was being considered.
7. In nominating the Directors, the Nomination Committee has also taken into account Mr. Fan’s, Mr. Jebson’s, Mr. Lee’s, Ms. Wong’s, Mr. Lui’s and Ms. Young’s expertise and experience in environmental, social and governance, risk management, financial services and investment, real estate investment, people and culture as well as technology, all of which are relevant to the Group’s business, as well as their respective contributions to the diversity of the Board detailed in the section headed “Information on Directors Proposed to be Re-elected”.
8. Mr. Fan, Mr. Jebson, Mr. Lee, Ms. Wong and Mr. Lui all attended 100% of the Board and the relevant Board Committee meetings and annual general meeting (as appropriate) of the Company held in 2021.

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## BUSINESS OF THE MEETING

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9. The Nomination Committee has considered the relevant independence assessment requirements set out in Rule 3.13 of the Listing Rules. Mr. Fan and Ms. Young do not hold any cross-directorships, nor have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interests in the role of Independent Non-Executive Director of the Company or affect their independent judgement. Mr. Fan and Ms. Young have confirmed to the Company that they are independent.
10. The Nomination Committee formed the view that, notwithstanding that Mr. Fan has served on the Board for over nine years, he remains independent, taking into account, his impartial views and comments expressed during the Board and Board Committee meetings. Mr. Fan has consistently demonstrated a healthy level of professional scepticism, and has not held back from asking probing questions and making recommendations. There is no evidence to suggest that his tenure has had any impact on his independence and effective oversight of the executive management. In addition, the unique expertise of Mr. Fan in environmental, social and governance, risk management, financial acumen, people and culture as well as technology, all of which are relevant to the Group's business, enable him to provide valuable and independent guidance to the Group's business. At each of the Company's 2012, 2015, 2017 and 2020 annual general meetings, over 86% of the votes were in favour of Mr. Fan re-election as Director.
11. Ms. Wong holds a cross-directorship with Mr. Lee Anthony Hsien Pin since they both serve on the boards of the Company and Television Broadcasts Limited. However, given that Ms. Wong plays a non-executive role and does not hold any shares in the two companies, the Company considers that such cross-directorship would not undermine the independence of Ms. Wong with respect to her directorship in the Company. The Board and the Nomination Committee have assessed the independence of Ms. Wong in light of the circumstances, including (i) her background, experiences, achievements and character; (ii) the nature of the Company's relationship with the Starbucks group; (iii) Ms. Wong's roles detailed in the section headed "Information on Directors Proposed to be Re-elected"; and (iv) the mitigating actions as described therein, and concluded that her independence would not be affected. It was decided that potential conflicts, which are minimal, could be managed and that the benefits of her appointment outweighed any risk of conflict. In addition, the mitigation principles and actions are adequate and appropriate to deal with any such issues. Ms. Wong has confirmed to the Company that she continues to be independent.
12. The Board has resolved that Mr. Fan, Ms. Wong and Ms. Young continue to be independent and recommended them to be re-elected as Directors at the AGM upon the recommendation of the Nomination Committee.
13. The Nomination Committee and the Board are satisfied that the Directors for re-election have a strong commitment to the Company and positively contributed to the Board through their participation in the Company's affairs and the Board's discussions and decisions. All of them have also committed to the Company that they will be able to give sufficient time and attention to meeting the high expectations placed upon them. Accordingly, the Board has recommended all retiring Directors to stand for re-election as Directors at the AGM.
14. Details of the information on the retiring Directors who are proposed for re-election are set out on pages 12 to 17 of this circular. Information includes the number of other public company directorships held by the Directors, their emoluments (representing total cash) received for 2021, and their interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**") as at 25 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining information referred to in this circular ("**Latest Practicable Date**"). Details of their emoluments for year 2021 are set out in "Remuneration Committee Report" and notes to the consolidated financial statements set out in the Annual Report 2021.

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## BUSINESS OF THE MEETING

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15. 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).

### RESOLUTION 3 – RE-APPOINTMENT OF AUDITOR

16. The Audit and Risk Management Committee has recommended to the Board (which in turn endorsed the view) that, subject to Shareholders' approval at the AGM, Deloitte Touche Tohmatsu be re-appointed as the external auditor of the Company for 2022.

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

17. At the last annual general meeting of the Company held on 21 May 2021, ordinary resolutions were passed giving general mandates to the Directors to issue and purchase shares in the Company. These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates. The relevant resolutions, in summary, are:
- a. **Resolution 4** – to give the Directors a general and unconditional mandate to allot, issue and deal with additional shares of 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) (below the 20% limit permitted under the Listing Rules) (the "**Share Issue Mandate**"). In addition, any shares to be issued under the Share Issue Mandate shall not be issued at a discount of more than 10% to the Benchmarked Price (below the 20% limit permitted under the Listing Rules). Having taken into consideration stakeholders' concerns on the possible dilution of their shareholding interest resulting from the exercise of the general mandate to issue shares, the aforesaid maximum issue limit and discount rate were introduced in 2018, and both the issue limit and the discount limit are below the permitted limits under the Listing Rules; and
  - b. **Resolution 5** – to give the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase shares in the Company not exceeding 10% of the Company's total number of shares in issue as at the date of passing the Resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "**Share Repurchase Mandate**").
18. The full text of these resolutions is set out in the Notice of AGM. The Explanatory Statement required by the Listing Rules to be sent to Shareholders in connection with the Share Repurchase Mandate is set out on pages 18 to 20 of this circular.
19. 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 shares 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 require that the maximum number of shares to be allotted shall not exceed 20% of a listed issuer's then issued shares, without differentiating between cash and non-cash issuances.

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## BUSINESS OF THE MEETING

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20. 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.
21. The Board therefore reduces the amount of equity securities to be issued to 10% (whether wholly or partly for cash or otherwise). This is below the maximum limit permitted under the Listing Rules and in line with international best practices.
22. The Company has not issued any new shares pursuant to the Share Issue Mandate granted in previous general meetings in the past decade. The Company has only issued new shares pursuant to: (i) the scrip dividend alternative; and (ii) the exercise of the options granted under the Company's share option schemes.
23. 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

24. The Directors consider that each of the Resolutions (1) to (5) as set out in the Notice of AGM is in the best interests of the Company and its Shareholders as a whole, accordingly, recommend Shareholders to vote in favour of the proposed resolutions.

### VOTING ARRANGEMENT

25. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the AGM will be decided by poll. The chairman of the AGM will demand, pursuant to Article 78 of the Company's Articles of Association, that all resolutions set out in the Notice of the AGM be decided by poll.
26. On a poll, every Shareholder presents in person or by proxy shall have one vote for every share held by that Shareholder. An explanation of the detailed procedures of voting by poll will be provided to the Shareholders at the AGM. The results of the poll will be published on the websites of the Company and the Stock Exchange after market close on the AGM date.

## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

Information on Directors standing for re-election at the AGM is set out below:



<b>Fan Yan Hok Philip</b> <i>Independent Non-Executive Director</i> Age: 72	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2021 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
	2010	Chairman of Remuneration Committee, Member of Audit and Risk Management Committee, Nomination Committee and Sustainability Committee	523,000	Nil

Mr. Fan is an independent non-executive director of China Everbright Environment Group Limited, First Pacific Company Limited and China Aircraft Leasing Group Holdings Limited and an independent director of Sumida Corporation. He was previously an independent non-executive director of PFC Device Inc. and an independent director of Goodman Group. Mr. Fan holds a Bachelor's Degree in Industrial Engineering and a Master's Degree in Operations Research from Stanford University, as well as a Master's Degree in Management Science from the Massachusetts Institute of Technology. He was appointed as an Independent Non-Executive Director in January 2010.

Mr. Fan has confirmed to the Board his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules. He has no relationship with any Directors, senior management, substantial or controlling Shareholders of the Company. The Board is not aware of any circumstance that might influence Mr. Fan in exercising independent judgment, and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director.

Mr. Fan received a Director fee of HK\$280,000 and a fee of HK\$243,000 for serving as the chairman of the remuneration committee of the Company ("**Remuneration Committee**"), and a member of the Audit and Risk Management Committee, the Nomination Committee and the sustainability committee of the Company ("**Sustainability Committee**") in 2021.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2021 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Jebsen Hans Michael</b> <i>B.B.S.</i> <i>Non-Executive Director</i> Age: 65	1994	Chairman of Sustainability Committee	330,000	2,534,300 shares (Personal and corporate interests) <i>(Note 1)</i>

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

Mr. Jebsen currently holds a number of public offices, namely, chairman of the Asian Cultural Council Hong Kong, chairman of the Advisory Council of the Business School of The Hong Kong University of Science and Technology, trustee of World Wide Fund for Nature Hong Kong, and member of the Board of Trustees of Asia Society Hong Kong Center, the Hong Kong-Europe Business Council of the Hong Kong Trade Development Council as well as the Advisory Board of the Hong Kong Red Cross. Since 2015, he has also been a member of the Operations Review Committee of the Independent Commission Against Corruption.

Mr. Jebsen was awarded the Bronze Bauhinia Star by the HKSAR Government in 2001, made a Knight of the Dannebrog by receiving the Silver Cross of the Order of Dannebrog by H. M. The Queen of Denmark in 2006, was awarded the Merit Cross of the Order of the Merit of the Federal Republic of Germany in 2009, received the title “Hofjægermester” by H. M. The Queen of Denmark in January 2011 and was awarded the Knight of 1st Class of the Order of Dannebrog, Denmark in 2014. In 2015, Mr. Jebsen was awarded Doctor of Business Administration honoris causa of The Hong Kong University of Science and Technology. Mr. Jebsen received the title “Kammerherre” by H. M. The Queen of Denmark in 2020. In 2021, Mr. Jebsen was conferred the title of Guangzhou Honorary Citizen. He was appointed as a Non-Executive Director in 1994.

Mr. Jebsen received a Director fee of HK\$280,000 and a fee of HK\$50,000 for serving as the chairman of the Sustainability Committee in 2021.

Save as disclosed above, Mr. Jebsen has no relationships with any Directors, senior management, substantial or controlling Shareholders of the Company. There is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

*Note:*

- 60,984 shares were held by Jebsen Hans Michael personally and 2,473,316 shares were held by a corporation in which he was a member entitled to exercise no less than one-third of the voting power at general meetings.

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2021 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Lee Anthony Hsien Pin</b> <i>Non-Executive Director</i> Age: 64	1994	Member of Audit and Risk Management Committee	388,000	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 and a member of the Board of Trustees of Princeton University. Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial shareholder of the Company. He is the brother of Ms. Lee Irene Yun-Lien, the 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 as a Non-Executive Director in 1994.

Mr. Lee received a Director fee of HK\$280,000 and a fee of HK\$108,000 for serving as a member of the Audit and Risk Management Committee in 2021.

Save as disclosed above, Mr. Lee has no relationships with any Directors, senior management, substantial or controlling Shareholders of the Company. There is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED



	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2021 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Wong Ching Ying</b> <b>Belinda</b> <i>Independent</i> <i>Non-Executive Director</i> Age: 51	2018	Member of Sustainability Committee	310,000	Nil

Ms. Wong is currently the chairman of Starbucks China. Ms. Wong joined Starbucks Coffee Company in 2000 and held leadership positions across a variety of business units and geographies, including marketing director for the Asia Pacific region of Starbucks Coffee, managing director of Starbucks Singapore and general manager of Starbucks Hong Kong. Prior to joining Starbucks group in 2000, Ms. Wong was the marketing manager of McDonald's China Development Company. She is also an independent non-executive director of Television Broadcasts Limited and has extensive experience in retail, food and beverage, people, brand development and growth strategy across the Greater China and Asia Pacific regions. Ms. Wong holds a Bachelor of Commerce degree with a major in finance from the University of British Columbia ("UBC") in Canada. She serves as a member of the Faculty Advisory Board for UBC's Sauder School of Business. She was appointed as an Independent Non-Executive Director in December 2018.

Shanghai Starbucks Coffee Enterprise Co., Ltd., a wholly-owned subsidiary of Starbucks Corporation (listed on NASDAQ), is one of the tenants of a commercial complex located in Shanghai, People's Republic of China owned by an associate of the Company. The revenue or profit derived from those leases indirectly as the share of results of an associate is immaterial (less than 1% of the Company's turnover or equity attributable to owners of the Company or total assets of the Company for the year ended 31 December 2021) to the Group. During her term as Independent Non-Executive Director of the Company, Ms. Wong will abstain from voting on any Board resolution in relation to any business dealings with the Starbucks group. Ms. Wong has agreed not to participate in any decision making or approval process involving the Starbucks group. Since operational matters (office/retail leasing) are unlikely to be considered at Board level, any conflict of interest is regarded as unlikely to occur in practice. Ms. Wong has ceased to be a director of certain entities of Starbucks Coffee Company during the year (including Shanghai Starbucks Coffee Enterprise Co., Ltd.).

Ms. Wong has confirmed to the Board her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules. She 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 Ms. Wong in exercising independent judgment, and is satisfied that she has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director.

Ms. Wong received a Director fee of HK\$280,000 and a fee of HK\$30,000 for serving as a member of the Sustainability Committee in 2021.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2021 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Lui Kon Wai</b> <i>Executive Director and Chief Operating Officer</i> Age: 56	2021	Nil	9,377,000	1,311,000 options (Personal interests)

Under the leadership of the Chairman, Mr. Lui is responsible for translating and executing the Group's strategy and vision into operational and financial attainment, and driving the Group's business growth, development and investment. He has over 30 years of experience as a senior executive in the property industry globally, covering acquisitions, development and asset management for residential, office, retail and large-scale mixed-use developments in Hong Kong, Mainland China and overseas. Mr. Lui holds a Master of Business Administration degree from the University of Warwick, the United Kingdom. He is also a Fellow of the Royal Institution of Chartered Surveyors and a Member of the Chartered Institute of Building.

Following review by the Remuneration Committee in January 2022, Mr. Lui's compensation package as the Executive Director and Chief Operating Officer for 2022 includes a fixed package (including base salary and pensions) of HK\$5,618,000 per annum, and will be entitled to a performance bonus at a level to be approved by the Remuneration Committee having regard to the performance of the Group and the individual concerned. He may also be granted long-term incentives in the form of share options. This compensation package is determined having considered the level of responsibility, experience and abilities required of him as the Executive Director and Chief Operating Officer and the remuneration offered for similar positions in comparable companies. Mr. Lui was appointed as the Group's Chief Operating Officer in December 2016 and Executive Director in October 2021. He also serves as a director of certain subsidiaries of the Group.

Save as disclosed above, Mr. Lui has no relationships with any Directors, senior management, substantial or controlling Shareholders of the Company. There is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2021 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Young Elaine Carole</b> <i>Independent Non-Executive Director</i> Age: 57	2022	Member of Sustainability Committee	N/A	Nil

Ms. Young has extensive experience in both real estate and hospitality across Asia. She is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms. Young founded her own real estate and hospitality consultancy firm. In 2017, Ms. Young co-founded TULU, a Shanghai based Co-Living brand. Ms. Young is a special advisor to one of Warburg Pincus' joint ventures in China, NOVA Property Investment Co. Ltd., and sits on its board. She was awarded "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Woman in Asia Awards in 2009.

Ms. Young served as an independent non-executive director of Link Asset Management Limited (as manager of Link Real Estate Investment Trust) for 9 years until 31 January 2022 and was a member of its Finance and Investment Committee and Remuneration Committee. She was an independent non-executive director of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust listed on The Singapore Exchange Securities Trading Limited, and was a member of its Audit Committee.

Ms. Young has confirmed to the Board her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules. She 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 Ms. Young in exercising independent judgment, and is satisfied that she has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director.

Ms. Young was appointed as an Independent Non-Executive Director in March 2022. She will receive a Director fee of HK\$228,603 and a fee of HK\$24,493 for serving as a member of the Sustainability Committee on a pro-rata basis in 2022.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under Rule 13.51(2) of the Listing Rules.

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## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

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

### Share Capital

1. As at the Latest Practicable Date, the Company has a total of 1,032,955,223 issued shares of which 500,000 shares were repurchased and pending for cancellation.
2. 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 Directors would be authorized to repurchase a maximum of 103,245,522 shares.

### Reasons for Repurchase

3. The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its Shareholders.
4. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

### Funding of Repurchase

5. In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the laws of Hong Kong. Such funds may include the distributable profits of the Company and/or the proceeds of a new issue of shares made for the purpose of the repurchase.
6. In the event that the proposed Share Repurchase Mandate is exercised in full, there might have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Annual Report 2021 and Financial Statements for the year ended 31 December 2021). However, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### Share Prices

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

	Highest HK\$	Lowest HK\$
<b>Year of 2021</b>		
March	33.80	29.00
April	30.95	29.00
May	31.40	28.00
June	32.45	29.60
July	31.90	29.90
August	30.90	27.35
September	28.10	24.00
October	27.30	24.35
November	27.50	23.80
December	25.10	23.55
<b>Year of 2022</b>		
January	24.75	23.60
February	24.70	22.40
25 March (Latest Practicable Date)	23.85	20.45

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## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

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### Undertaking

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

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

11. If, as a result of share repurchases by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could, depending on the level of increase of Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.
12. As at the Latest Practicable Date, Lee Hysan Company Limited is the substantial shareholder of the Company, interested in approximately 41.93% of the issued shares of the Company. 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 would be increased to approximately 46.61%.
13. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent as would result in takeover obligations.
14. Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Share Repurchase Mandate.

## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

### Share Repurchase made by the Company

15. The Company repurchased a total of 4,003,000 shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 25 September 2021 to 25 March 2022) and details of which are as follows:

Date of Repurchase	Number of shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
27 September 2021	100,000	24.65	24.40
6 October 2021	100,000	24.90	24.75
19 October 2021	200,000	26.35	25.95
21 October 2021	150,000	26.70	26.55
22 October 2021	100,000	26.95	26.80
25 October 2021	200,000	26.85	26.55
26 October 2021	300,000	26.60	26.25
27 October 2021	200,000	26.55	26.25
28 October 2021	100,000	26.55	26.35
29 October 2021	150,000	27.30	26.90
1 November 2021	200,000	27.10	26.60
2 November 2021	100,000	26.75	26.40
5 November 2021	300,000	26.70	26.25
25 February 2022	800,000	23.40	22.80
28 February 2022	250,000	23.00	22.90
1 March 2022	100,000	23.05	22.90
2 March 2022	100,000	23.10	23.00
4 March 2022	53,000	23.00	22.95
14 March 2022	100,000	21.35	21.15
15 March 2022	300,000	20.95	20.15
25 March 2022	100,000	23.45	23.35
	4,003,000		

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