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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”) to be held at the principal meeting place at The Community Lab, 24/F, Lee Garden Five, 18 Hysan Avenue, Hong Kong (the “Principal Meeting Place”) and online on Tuesday, 16 May 2023 at 3:00 p.m., at which, among other things, the proposals for general mandates to issue and to repurchase shares of the Company will be considered, is set out in this circular on pages 4 to 8.

The AGM will be held in hybrid format. In addition to physical attendance, shareholders of the Company (“Shareholders”) will have the option to attend the AGM via the live online webcast system (“e-Meeting System”). Attending via the e-Meeting System will also allow Shareholders to view the live meeting proceedings, attend the meeting, submit questions by text to the interactive platform for Q&A, call to raise questions and vote online in real-time. Shareholders are encouraged to make use of the e-Meeting System for attending the AGM. Please refer to pages 1 to 2 for details.

**There will be NO distribution of gifts or service of refreshment at the AGM.**

*This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.*

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## GUIDANCE FOR THE ANNUAL GENERAL MEETING

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### A. Hybrid AGM

1. The AGM will be a hybrid meeting. Apart from attending and voting at the AGM in person at the Principal Meeting Place, Shareholders have the option of attending and voting at the AGM through the e-Meeting System (“**Online AGM**”). Shareholders attending the Online AGM (not as guests) will also be counted towards the quorum. Shareholders are encouraged to make use of the e-Meeting System for attending the AGM.

### B. Our Online AGM

1. Both registered and non-registered Shareholders can attend the Online AGM. Through the e-Meeting System provided by the Company’s registrar, Tricor Standard Limited, Shareholders will be able to view the live meeting proceedings, attend the AGM, submit questions by text to the interactive platform for Q&A, call to raise questions and vote online in real-time. The e-Meeting System will be opened for the Shareholders to log in approximately 30 minutes prior to the commencement of the AGM from any location with access to the internet with a smart phone, tablet or computer.
2. Login details for registered Shareholders – details regarding the e-Meeting System including the login details will be sent to the registered Shareholders 10 business days before the AGM.
3. Login details for non-registered Shareholders – 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 attend the Online AGM via the e-Meeting System and in doing so, they will be asked to provide their email addresses. Details regarding the e-Meeting System including the login details will be emailed to them by the Company’s registrar, Tricor Standard Limited.

### C. Attendance in Person

1. Electronic voting system will be used for enhancing efficiency in the vote counting process. Every Shareholder or proxy can vote via smartphones or designated electronic devices to be provided at the Principal Meeting Place. This is a full paperless AGM process that facilitates easy and intuitive voting procedures for Shareholders as well as to allow instant declaration of voting results during the AGM.
2. No refreshments or drinks will be served.
3. No gifts will be provided to those attending the AGM in person.

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## GUIDANCE FOR THE ANNUAL GENERAL MEETING

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### **D. QUESTIONS AT AND PRIOR TO THE AGM**

1. Shareholders attending the Online AGM will be able to submit questions relating to the proposed resolutions by submitting text to the interactive platform for Q&A or by calling via the e-Meeting System. Shareholders can also send their questions in writing before the AGM, to the registered office of the Company or to the email at investor@hysan.com.hk.
2. 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 AGM.

### **E. APPOINTMENT OF PROXY**

1. Shareholders may exercise their voting rights by submitting an original of the completed form of proxy appointing the chairman of the AGM or other persons as their proxies to vote on their behalf (whether in person or via the e-Meeting System), to the Company's registrar, Tricor Standard Limited, of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as early as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM (or any adjournment thereof).
2. If Shareholders have any questions relating to the AGM, please contact the Company's registrar, Tricor Standard Limited with following details:

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

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

Telephone: +852 2975 0928

Fax: +852 2861 1465

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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 B.B.S.\*

(*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 of the Company*

\*\* *Independent Non-Executive Directors of the Company*

31 March 2023

Dear Shareholders,

The Company's AGM will be held on Tuesday, 16 May 2023 at 3:00 p.m. Notice of the AGM is set out on pages 4 to 8. Information regarding the business to be considered at the AGM is set out on pages 9 to 12.

You are advised to read this circular. Whether or not you are able to attend the AGM in person or through the e-Meeting System, please complete and deliver the enclosed form of proxy, in accordance with the instructions printed thereon, to the Company's registrar, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as early as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM (or any adjournment thereof). Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting (whether in person or through the e-Meeting System) at the AGM or at any adjourned meeting thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

The board of directors of the Company ("**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.

If you have any questions concerning the AGM, please contact the Company's registrar, Tricor Standard Limited (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 Hysan Development Company Limited 希慎興業有限公司 will be held at the Principal Meeting Place at The Community Lab, 24/F, Lee Garden Five, 18 Hysan Avenue, Hong Kong and online on Tuesday, 16 May 2023 at 3:00 p.m. for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31 December 2022 together with the Reports of Directors and Auditor thereon.
2. To re-elect directors of the Company (“**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 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 (the “**Articles**”) 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 Shareholders 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 Shareholders in general meeting.”

By Order of the Board  
**Lee Irene Yun-Lien**  
*Chairman*

Hong Kong, 31 March 2023

*Notes:*

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her behalf. The proxy need not be a Shareholder. The form of proxy can also be downloaded from the Company's website ([www.hysan.com.hk](http://www.hysan.com.hk)) or the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).
2. An original of the completed form of proxy must be returned to the Company's registrar, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as early as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM (or any adjournment thereof). Form of proxy sent electronically will not be accepted. If your shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited (collectively the “**Intermediary**”) and you would like to appoint proxy to attend and vote at the AGM on your behalf, you should consult directly with your Intermediary (as the case may be) for necessary arrangement.
3. Completion of a form of proxy and its delivery will not preclude a Shareholder from attending and voting in person or online via e-Meeting System at the AGM (or any adjournment thereof) if a Shareholder so wishes, a proxy's authority to vote on a resolution shall, however, be deemed to be revoked if the Shareholder attends the AGM and votes (whether in person or through the e-Meeting System) on that particular resolution.
4. In the case of joint holders of any share, the form of proxy must be signed by all Shareholders whose names appear in the register of members of the Company (“**Register of Members**”). Where there are joint holders of any share, any one of the persons may vote at the AGM, either in person or by proxy, in respect of such share as if he/she were a sole holder; but if more than one of such joint holders are present at the AGM in person or by proxy, the person whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it. Only **ONE PAIR** of log-in username and password for the e-Meeting System will be provided to the joint holders.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. The Register of Members will be closed from Thursday, 11 May 2023 to Tuesday, 16 May 2023, both dates inclusive, during which period the registration of transfers of shares will be suspended. In order to be entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:00 pm on Wednesday, 10 May 2023.
6. Detailed information on the business to be transacted at the AGM is set out in the section "Business of the Meeting" of the circular sent to Shareholders.
7. Each of the resolutions set out in this notice will be voted by poll.
8. 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 AGM, the AGM 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 AGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholder should decide on their own whether they would attend the AGM in person under bad weather condition bearing in mind their own situations.

9. **Hybrid AGM**

The AGM will be held in hybrid format at the Principal Meeting Place and online. In addition to physical attendance, Shareholders will have the option to attend the AGM via the e-Meeting System which allow Shareholders to view the live meeting proceedings, submit questions by text to the interactive platform for Q&A, call to raise questions and vote online in real-time. Shareholders are encouraged to make use of the e-Meeting System to view the live meeting proceedings and participate in voting. The Online AGM can also broaden the reach of the AGM to Shareholders who do not wish to attend in person or for other overseas Shareholders who are unable to attend in person.

**How to attend and vote**

Shareholders who wish to attend the AGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the AGM in person and vote via smartphones or designated electronic devices to be provided at the Principal Meeting Place; or
- (2) attend the AGM via the e-Meeting System to view the live meeting proceedings, make use of the interactive platform for Q&A of the e-Meeting System, call via the e-Meeting System to raise questions and vote online in real-time; or
- (3) appoint the Chairman of the AGM or other persons as your proxy to vote on your behalf.

Your proxy's authority and instruction will be revoked if you attend and vote in person at the AGM or via the e-Meeting system.

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## NOTICE OF ANNUAL GENERAL MEETING

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Non-registered Shareholders whose shares are held in the Intermediary may also be able to attend, submit questions by text to the interactive platform for Q&A, call to raise questions, vote electronically in real time and view live meeting proceedings of the AGM via the e-Meeting System. In this regard, they should:

1. contact and instruct their Intermediary that they want to attend the AGM using the e-Meeting System; and
2. provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

Details regarding the AGM arrangements including login details to access the e-Meeting System will be sent by the Company's registrar, Tricor Standard Limited, to the email address of the non-registered Shareholders provided by the Intermediary. Without the login details, non-registered Shareholders will not be able to attend, submit questions by text to the interactive platform for Q&A, call to raise questions, vote online in real time or view live meeting proceedings of the AGM using the e-Meeting System. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

**Registered Shareholders, their proxy (or proxies) and Non-registered Shareholders should note that only one device is allowed in respect of each set of login details. Please also keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor Company's registrar, Tricor Standard Limited, assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**

**If you encounter any technical problems in using the e-Meeting System or have any questions relating to the AGM, please contact the Company's registrar, Tricor Standard Limited with following details:**

**Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong**

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

**Telephone: +852 2975 0928**

**Fax: +852 2861 1465**

On-site e-Voting system will be used at the AGM to enhance the efficiency in the poll counting process. This is a full paperless AGM process that facilitates easy and intuitive voting procedures for Shareholders as well as to allow instant declaration of voting results during the AGM.

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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### RESOLUTION 1 – RECEIVING 2022 FINANCIAL STATEMENTS

1. The full audited financial statements together with the Reports of Directors and Auditor thereon, are set out on pages 127 to 182, pages 113 to 121 and pages 123 to 126 of the Annual Report 2022.
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 90 to 95 of the Annual Report 2022.

### RESOLUTION 2 – RE-ELECTION OF DIRECTORS

3. Lee Irene Yun-Lien, Churchouse Frederick Peter, Jebesen Hans Michael, Lee Chien and Lee Tze Hau Michael, will retire at the AGM. Jebesen Hans Michael has informed the Board that he will not stand for re-election and accordingly will retire as a Non-Executive Director after the conclusion of the forthcoming AGM. Lee Irene Yun-Lien, Churchouse Frederick Peter, Lee Chien and Lee Tze Hau Michael, being eligible, offer themselves for re-election at the AGM in accordance with Article 114 of the Articles. Their proposed re-election will be considered by separate resolutions.
4. In considering the re-appointment of any existing members of the Board, the nomination committee of the Company (“**Nomination Committee**”) shall review the retiring Directors’ overall contribution to the Company, 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/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 2022.
5. The Nomination Committee, having reviewed the Board’s composition, recommended to the Board the re-election of Lee Irene Yun-Lien, Churchouse Frederick Peter, Lee Chien and Lee Tze Hau Michael at the AGM. Ms. Lee, the chairman of the Nomination Committee, and Mr. Churchouse and Mr. Chien Lee, the members of the Nomination Committee, abstained from voting at the Nomination Committee meeting when his/her own nomination was being considered.
6. In nominating the Directors, the Nomination Committee has also taken into account the expertise and experience of Ms. Lee, Mr. Churchouse, Mr. Chien Lee and Mr. Michael Lee 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”.
7. Ms. Lee, Mr. Churchouse, Mr. Chien Lee and Mr. Michael Lee all attended 100% of the Board and the relevant Board Committee meetings and annual general meeting (as appropriate) of the Company held in 2022.

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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8. The Nomination Committee has considered the relevant independence assessment requirements set out in Rule 3.13 of the Listing Rules. Mr. Churchouse does not hold any cross-directorships, nor has any significant links with other Directors through involvement in other companies or bodies that could give rise to any conflicts of interests in his role as an Independent Non-Executive Director or affect his independent judgement. Mr. Churchouse has confirmed to the Company that he is independent based on the independence criteria as set out in Rule 3.13 of the Listing Rules.
9. The Nomination Committee formed the view that, notwithstanding that Mr. Churchouse 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. Churchouse 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. Churchouse in financial services and investment, real estate investment, risk management, financial acumen, customer and retail as well as strategy, 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 2013, 2016, 2019 and 2021 annual general meetings, over 96% of the votes were casted in favour of Mr. Churchouse's re-election as Director.
10. The Board has resolved that Mr. Churchouse continues to be independent and recommended him to be re-elected as a Director at the AGM upon the recommendation of the Nomination Committee.
11. 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 devote sufficient time and attention to the affairs of the Company and the high expectations placed upon them. Accordingly, the Board has recommended Lee Irene Yun-Lien, Churchouse Frederick Peter, Lee Chien and Lee Tze Hau Michael, the retiring Directors, to stand for re-election as Directors at the AGM.
12. Details of the information of the retiring Directors who are proposed for re-election are set out on pages 13 to 16 of this circular. Information includes the number of other public company directorships held by the Directors in the last three years, their emoluments (representing total cash) received for 2022, and their interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**") as at 27 March 2023, 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 2022 are set out in "Remuneration Committee Report" and notes to the consolidated financial statements set out in the Annual Report 2022.
13. No Director proposed for re-election at the AGM has a service contract with the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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### RESOLUTION 3 – RE-APPOINTMENT OF AUDITOR

14. 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 2023.

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

15. At the last annual general meeting of the Company held on 19 May 2022, 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 (below the 20% limit permitted under the Listing Rules), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "**Share Issue Mandate**"). 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**").
16. 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 17 to 19 of this circular.
17. The Articles 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.
18. 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.

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## BUSINESS OF THE ANNUAL GENERAL MEETING

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19. 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.
20. 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.
21. 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

22. 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

23. 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 Articles, that all resolutions set out in the Notice of the AGM be decided by poll.
24. 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>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2022 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Lee Irene Yun-Lien</b> <i>Chairman</i> Age: 69	2011	Chairman of Nomination Committee	22,211,390	479,000 shares and 4,300,400 Options (Personal Interests)

Ms. Lee leads the Group in her executive Chairman role. Ms. Lee is the independent non-executive chairman of Hang Seng Bank Limited and is an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited. She is also an independent director of Alibaba Group Holding Limited. She is a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority. Previously, Ms. Lee held senior positions in investment banking and funds management in a number of international financial institutions, including Citibank in New York, London and Sydney, and she was the global head of corporate finance at the Commonwealth Bank of Australia. She was also on the boards of many listed and unlisted companies, including ING Bank (Australia) Limited, QBE Insurance Group Limited. She was also an independent non-executive director of CLP Holdings Limited, Cathay Pacific Airways Limited, Noble Group Limited and HSBC Holdings plc, and a member of the Advisory Council of JP Morgan Australia. She was also formerly a member of the Australian Government Takeovers Panel. Ms. Lee is a member of the founding Lee family, sister of Mr. Lee Anthony Hsien Pin (a Non-Executive Director) and his alternate on the Board. Ms. Lee holds a Bachelor of Arts from Smith College, the United States of America, and is a Barrister-at-Law in England and Wales and a member of the Honourable Society of Gray's Inn, the United Kingdom. She was awarded the degree of Doctor of Social Science, *honoris causa* from The Chinese University of Hong Kong in November 2022. Ms. Lee was appointed a Non-Executive Director in March 2011, the Non-Executive Chairman in May 2011, and the executive Chairman in March 2012. She also serves as a director of certain subsidiaries of the Group.

Following review by the Remuneration Committee and, in turn, the Board in February 2023, Ms. Lee's compensation package as executive Chairman for 2023 includes a fixed package (including base salary and pensions) of HK\$8,258,000 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. She may also be granted long-term incentives in the form of share options. This compensation package is determined having given consideration to the level of responsibility, experience and abilities required of the Chairman and the remuneration offered for similar positions in comparable companies.

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

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director Since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2022 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Churchouse Frederick Peter</b> <i>Independent Non-Executive Director</i> Age: 73	2012	Member of Audit and Risk Management Committee, Nomination Committee and Remuneration Committee (With effect from 1 March 2023)	418,000	Nil

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

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

Mr. Churchouse received Director fee of HK\$280,000 and a fee of HK\$138,000 in total for serving as a member of the Audit and Risk Management Committee and the Nomination Committee 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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## 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 2022 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Lee Chien</b> <i>Non-Executive Director</i> Age: 69	1988	Member of Nomination Committee	310,000	970,000 Shares (Person Interests)

Mr. Chien Lee is an independent non-executive director of Swire Pacific Limited. He is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder. Mr. Chien Lee is a member of the Council of The Chinese University of Hong Kong and chairman of CUHK Medical Centre. He is also Supervisor of St. Paul's Co-educational College and its Primary School, a Trustee Emeritus of Stanford University and past director of Stanford Healthcare. Mr. Chien Lee received a bachelor of science degree in mathematical science, a master of science degree in operations research and a master of business administration degree from Stanford University. Mr. Chien Lee was appointed as a Non-Executive Director in 1988.

Mr. Chien Lee received Director fee of HK\$280,000 and a fee of HK\$30,000 for serving as a member of the Nomination Committee in 2022.

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

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## INFORMATION ON DIRECTORS PROPOSED TO BE RE-ELECTED

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	<b>Director since</b>	<b>Board Committee membership(s)</b>	<b>Emoluments received for 2022 (HK\$)</b>	<b>Interests in shares within the meaning of Part XV of SFO as at the Latest Practicable Date</b>
<b>Lee Tze Hau Michael</b> <i>Non-Executive Director</i> Age: 61	2010	Member of Sustainability Committee (With effect from 1 March 2023)	325,000	Nil

Mr. Michael Lee is currently a director of Oxer Limited, a private investment company. He is also an independent non-executive director of Chen Hsong Holdings Limited and the chairman of the Board of Stewards of The Hong Kong Jockey Club. He was previously an independent non-executive director of Hong Kong Exchanges and Clearing Limited and Trinity Limited, and an independent non-executive director and chairman of OTC Clearing Hong Kong Limited. Mr. Michael Lee was also a member of the Main Board and Growth Enterprise Market Listing Committees of The Stock Exchange of Hong Kong Limited. Mr. Michael Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder. Mr. Michael Lee received his bachelor of arts degree from Bowdoin College and his master of business administration degree from Boston University. He joined the Board in January 2010, having previously served as a Director from 1990 to 2007.

Mr. Michael Lee received Director fee of HK\$280,000 and a fee of HK\$45,000 for serving as member of the Remuneration Committee in 2022.

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

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## 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 1,027,008,223 issued shares.
2. 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 102,700,822 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 and the laws of Hong Kong. Such funds may include the distributable profits of the Company and/or the proceeds of a new issue of shares made for the purpose of the repurchase.
6. In the event that the proposed Share Repurchases 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 2022 and Financial Statements for the year ended 31 December 2022). 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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>Year of 2022</b>		
March	23.85	20.45
April	23.50	23.00
May	23.80	22.95
June	23.90	22.05
July	24.05	23.30
August	24.25	22.15
September	22.40	19.28
October	21.00	17.12
November	20.75	17.40
December	25.30	21.05
<b>Year of 2023</b>		
January	27.05	25.10
February	27.25	24.25
27 March (Latest Practicable Date)	25.45	21.80

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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, interested in approximately 42.17% of the issued shares of the Company 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 46.86%.
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.

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## EXPLANATORY STATEMENT ON PROPOSED SHARE REPURCHASE MANDATE

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### Share Repurchase made by the Company

15. The Company repurchased a total of 650,000 shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 27 September 2022 to 27 March 2023) and details of which are as follows:

Date of Repurchase	Number of shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
27 September 2022	50,000	19.84	19.74
28 September 2022	100,000	19.88	19.72
29 September 2022	100,000	19.48	19.36
10 October 2022	50,000	20.25	20.05
11 October 2022	50,000	20.20	20.10
12 October 2022	50,000	19.80	19.72
13 October 2022	50,000	19.36	19.12
19 October 2022	50,000	18.74	18.66
20 October 2022	50,000	18.46	18.40
24 October 2022	50,000	17.70	17.52
31 October 2022	50,000	17.18	17.06
	<u>650,000</u>		

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.