

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*



恒隆地產有限公司

**HANG LUNG PROPERTIES LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00101)**

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Hang Lung Properties Limited (the “Company”) will be held at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 April 2017 at 10:00 a.m. (the “Meeting”) for the following matters and purposes:

1. To receive and consider the audited financial statements and reports of the directors and of the auditor for the year ended 31 December 2016.
2. To declare a final dividend.
3. To re-elect directors and authorize the board of directors to fix directors’ fees.
4. To re-appoint auditor and authorize the directors to fix auditor’s remuneration.

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

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

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

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

6. “THAT:

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

per cent of the aggregate number of the shares of the Company in issue at the date of passing this resolution (subject to adjustment according to paragraph (e) below) plus (bb) if the directors are so authorized by a separate ordinary resolution of the shareholders of the Company set out as resolution 7 in the Notice, the number of the shares of the Company bought back by the Company subsequent to the passing of this resolution, up to a maximum equivalent to 10 per cent of the aggregate number of the shares of the Company in issue at the date of passing this resolution (subject to adjustment according to paragraph (e) below), and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution:

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

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

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

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

By Order of the Board  
**Bella Peck Lim CHHOA**  
*Company Secretary*

Hong Kong, 23 March 2017

*Registered Office:*  
28th Floor  
4 Des Voeux Road Central  
Hong Kong

*Notes:*

1. A shareholder entitled to attend and vote at the Meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a shareholder of the Company.
2. In order to be valid, all proxies must be deposited at the registered office of the Company, 28th Floor, 4 Des Voeux Road Central, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
3. The register of members will be closed from Wednesday, 26 April 2017 to Thursday, 27 April 2017, both days inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 25 April 2017.
4. The register of members will be closed on Friday, 5 May 2017, on which no share transfers will be effected. In order to qualify for the proposed final dividend (subject to shareholders' approval at the Meeting), all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 4 May 2017.
5. Pursuant to rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the Meeting, the chairman of the Meeting will exercise his power under article 74 of the articles of association of the Company to put each of the resolutions set out in the Notice to be voted by way of poll. On a poll, every shareholder present in person (or in the case of a corporation by its corporate representative) or by proxy shall have one vote for each share of which he/she is the holder.
6. With regard to matters numbers 1, 2, 3 and 4 set out in the Notice, relevant ordinary resolutions will be considered and, if thought fit, passed for each of these matters at the Meeting.
7. With regard to matter number 3 regarding, among other things, re-election of directors of the Company, separate ordinary resolutions will be considered and, if thought fit, passed at the Meeting to:
  - (a) re-elect Mr. Nelson W.L. YUEN as director of the Company.
  - (b) re-elect Dr. Andrew K.C. CHAN as director of the Company.
  - (c) re-elect Prof. H.K. CHANG as director of the Company.
  - (d) re-elect Mr. Adriel W. CHAN as director of the Company.
8. The results of the poll will be published on the Company's website at [www.hanglung.com](http://www.hanglung.com) and Hong Kong Exchanges and Clearing Limited's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the date of the Meeting.
9. Details of the businesses to be transacted at the Meeting are set out in this Notice under the "Business of the Meeting".
10. As at the date of the Notice, the board of the Company comprises the following directors:  
*Executive directors:* Mr. Ronnie C. CHAN, Mr. Philip N.L. CHEN, Mr. H.C. HO and Mr. Adriel W. CHAN  
*Independent non-executive directors:* Mr. Ronald J. ARCULLI, Mr. Dominic C.F. HO, Mr. Nelson W.L. YUEN, Dr. Andrew K.C. CHAN, Prof. H.K. CHANG and Ms. Anita Y.M. FUNG

---

## BUSINESS OF THE MEETING

---

### **RESOLUTION 1 – RECEIVING THE AUDITED FINANCIAL STATEMENTS**

The audited financial statements together with reports of the directors and of the auditor for the year ended 31 December 2016 are set out in the 2016 annual report.

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

### **RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND**

The board has recommended a final dividend of HK58 cents per share of the Company. Subject to the shareholders' approval at the Meeting, such dividend is expected to be paid on or about 18 May 2017 to shareholders whose names appear on the register of members on 5 May 2017.

The register of members will be closed on Friday, 5 May 2017, on which no share transfers will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 4 May 2017.

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

#### *Re-election of Directors*

Mr. Adriel W. CHAN, being executive director of the Company newly appointed on 19 November 2016, will retire from the board at the Meeting in accordance with article 94 of the Company's articles of association and, being eligible, will offer himself for re-election.

In accordance with articles 103 and 104 of the Company's articles of association, Mr. Nelson W.L. YUEN, Dr. Andrew K.C. CHAN and Prof. H.K. CHANG will retire from the board by rotation at the Meeting and, being eligible, will offer themselves for re-election.

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

#### *Determination of Directors' Fees*

The nomination and remuneration committee makes recommendations to the board on the directors' fees for the year ending 31 December 2017.

#### **RESOLUTION 4 – RE-APPOINTMENT OF AUDITOR AND DETERMINATION OF AUDITOR’S FEE**

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

Shareholders’ approval to delegate the authority to the directors to determine the auditor’s remuneration for the year ending 31 December 2017 is required at the Meeting.

#### **RESOLUTION 5 – SHARE BUY-BACK MANDATE**

At the annual general meeting of the Company held on 28 April 2016, an ordinary resolution was passed giving a general mandate to directors to buy back shares of the Company. This general mandate will lapse at the conclusion of the Meeting unless it is renewed at the Meeting. Accordingly, shareholders’ approval to give the directors a general mandate to buy back shares of the Company is required at the Meeting.

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

#### **RESOLUTIONS 6 AND 7 – GENERAL MANDATES TO ISSUE SHARES**

At the annual general meeting of the Company held on 28 April 2016, ordinary resolutions were passed giving general mandates to directors to allot, issue and deal with additional shares of the Company. No shares of the Company have been issued under these mandates and these mandates will lapse at the conclusion of the Meeting unless they are renewed at the Meeting. Accordingly, shareholders’ approval is required at the Meeting to give the directors general mandates to:

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

The directors have no immediate plans to issue any new shares of the Company other than pursuant to the exercise of the options granted under the Company’s share option schemes. Shareholders are recommended to vote in favor of these proposed resolutions as they are considered to be in the best interests of the Company and its shareholders.

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

1. **Mr. Nelson Wai Leung YUEN**, aged 66, an independent non-executive director of the Company. Mr. Yuen joined Hang Lung in 1978, became an executive director of the Company in 1986, and was appointed as managing director of the Company and its listed holding company, Hang Lung Group Limited (“HLGL”), in 1992 until he retired in July 2010. He became a non-executive director of the Company in March 2011 and was re-designated as independent non-executive director in November 2014.

Mr. Yuen is a graduate of The University of Manchester, UK and a fellow of The Institute of Chartered Accountants in England and Wales.

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

As at 15 March 2017, the latest practicable date, in respect of Mr. Yuen’s interest in the securities of the Company and its associated corporation within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), he notified the Company that he has interest in share options to subscribe for 24,320,000 shares in the Company pursuant to a share option scheme of the Company. The amount of emoluments paid for the year ended 31 December 2016 to Mr. Yuen is set out in note 7(a) to the financial statements for the year ended 31 December 2016 on page 161 of the Company’s 2016 annual report. The emoluments were determined with reference to his duty and responsibility (for serving on the board of the Company). Mr. Yuen does not have a service contract with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company’s articles of association and the Listing Rules.

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

2. **Dr. Andrew Ka Ching CHAN**, aged 67, an independent non-executive director and a member of the audit committee of the Company. Dr. Chan joined the board as a non-executive director in October 2014 and was re-designated as independent non-executive director in December 2015.

Dr. Chan is chairman of trustees’ board of the global Arup Group, one of the world’s foremost multi-disciplinary engineering consultants. Previously, he was the deputy chairman of Arup Group and retired in October 2014. Dr. Chan is an expert in civil and geotechnical engineering with over 40 years of experience in the engineering profession, and is distinguished for his leadership in the creation, design and delivery of many innovative and award-winning building projects as well as major infrastructure schemes in many cities in Asia. He is a past president and gold medallist of The Hong Kong Institution of Engineers, founding chairman of the Hong Kong Green Building Council, honorary fellow of the Hong Kong University of Science and Technology, fellow and president of the Hong Kong Academy of Engineering Sciences and fellow of the Royal Academy of Engineering, UK’s national academy. Dr. Chan obtained his PhD degree from the University of Cambridge in Soil Mechanics. He was appointed Justice of the Peace in 2006 and awarded the Bronze Bauhinia Star in 2012.

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

As at 15 March 2017, the latest practicable date, the Company received no notification of Dr. Chan having any interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO. The amount of emoluments paid for the year ended 31 December 2016 to Dr. Chan is set out in note 7(a) to the financial statements for the year ended 31 December 2016 on page 161 of the Company's 2016 annual report. The emoluments were determined with reference to his duty and responsibility (for serving on the board and the audit committee of the Company). Dr. Chan does not have a service contract with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

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

3. **Prof. Hsin Kang CHANG**, aged 76, an independent non-executive director and a member of the audit committee and of the nomination and remuneration committee of the Company. Prof. Chang joined the board in April 2015.

Prof. Chang became an honorary professor in 2006 and Yeh-Lu Xun chair professor from 2008 to 2015 at Peking University, and an honorary professor at Tsinghua University in 2007. He was the president and university professor of City University of Hong Kong from 1996 to 2007. Prior to that, Prof. Chang was dean of the School of Engineering at the University of Pittsburgh in the US from 1994 to 1996, founding dean of the School of Engineering at Hong Kong University of Science and Technology from 1990 to 1994, and chairman of the Department of Biomedical Engineering at the University of Southern California in the US from 1985 to 1990. He taught at several major universities in North America and served in a number of scholarly societies and public advisory bodies in the US, serving as president of Biomedical Engineering Society of the US in 1988-89. In Hong Kong, Prof. Chang was chairman of the Cultural and Heritage Commission from 2000 to 2003, a member of the Council of Advisors on Innovation and Technology from 2000 to 2004 and a member of Judicial Officers Recommendation Commission from 1999 to 2005. He is a foreign member of the Royal Academy of Engineering of the United Kingdom, member of International Eurasian Academy of Sciences, *Chévalier dans l'Ordre National de la Légion d'Honneur* and *Commandeur dans l'Ordre des Palmes Académiques* of France. Prof. Chang obtained his bachelor's degree in civil engineering from National Taiwan University in 1962, master's degree in structural engineering from Stanford University in the US in 1964 and Ph.D degree in biomedical engineering from Northwestern University in the US in 1969. He is an independent non-executive director of Brightoil Petroleum (Holdings) Limited and HKT Trust and HKT Limited. Prof. Chang previously acted as an independent non-executive director of Hon Kwok Land Investment Company, Limited. He was appointed Justice of the Peace in 1999 and awarded the Gold Bauhinia Star in 2002.

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



As at 15 March 2017, the latest practicable date, the Company received no notification of Prof. Chang having any interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO. The amount of emoluments paid for the year ended 31 December 2016 to Prof. Chang is set out in note 7(a) to the financial statements for the year ended 31 December 2016 on page 161 of the Company's 2016 annual report. The emoluments were determined with reference to his duty and responsibility (for serving on the board, the audit committee and the nomination and remuneration committee of the Company). Prof. Chang does not have a service contract with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

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

4. **Mr. Adriel Wenbwo CHAN**, aged 34, an executive director of the Company. Mr. Chan was appointed to the board of the Company and of its listed holding company, HLGL, on 19 November 2016. He also serves on the boards of a number of subsidiaries of the Company.

Mr. Chan joined the Group in 2010, responsible for leasing and management in Shanghai. He is now mainly responsible for the project departments, including project planning, project construction, cost & controls, and the asset assurance & improvement team, as well as various other initiatives in the Group. Prior to joining the Group, Mr. Chan worked in finance, auditing, and risk management fields. He holds an Executive Master of Business Administration degree jointly awarded by the Kellogg School of Management at Northwestern University, USA and the Hong Kong University of Science and Technology, and a Bachelor of Arts degree in International Relations from University of Southern California, USA.

Save as disclosed above, Mr. Chan did not hold any other directorships in any other listed public companies in the last three years. Mr. Chan is a son of Mr. Ronnie C. Chan (chairman of the Company and HLGL), a grandson of Ms. Chan Tan Ching Fen (founder of the trust which is a substantial shareholder of the Company and HLGL (the "Trust")) and is a member of the class of discretionary beneficiaries of the Trust. Mr. Gerald L. Chan (brother of Mr. Ronnie C. Chan) and Mr. Roy Y.C. Chen (cousin of Mr. Ronnie C. Chan), both non-executive directors of HLGL, are uncles of Mr. Chan. Save as disclosed above, Mr. Chan does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at 15 March 2017, the latest practicable date, in respect of Mr. Chan's interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO, he notified the Company that he is deemed to be interested in 2,507,987,340 shares of the Company and 498,428,580 shares of HLGL held by the Trust by virtue of his membership of the class of discretionary beneficiaries of the Trust, and has interest in share options to subscribe for 350,000 shares in the Company pursuant to a share option scheme of the Company. The amount of director's emoluments paid for the year ended 31 December 2016 to Mr. Chan is set out in note 7(a) to the financial statements for the year ended 31 December 2016 on page 161 of the Company's 2016 annual report. The emoluments were determined by the scope of responsibility and accountability (for serving on the board of the Company), and his individual performance,

taking into consideration of the Group's performance and profitability, market practice and prevailing business conditions. Mr. Chan has not been appointed for a specific length of service but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

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

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*

The following is the explanatory statement required to be sent to shareholders under the Listing Rules in connection with the general mandate for buy-backs of shares of the Company to be proposed at the Meeting to be held on 27 April 2017. This explanatory statement also constitutes the memorandum required by section 239 of the Companies Ordinance.

### **Share Capital – Number of Shares in Issue**

It is proposed that a maximum of 10 per cent of the aggregate number of shares of the Company (the “Shares”) in issue as at the date of the resolution approving the grant of a share buy-back mandate (the “Resolution”) (subject to adjustment in the case of any sub-division and consolidation of Shares after the Meeting) may be bought back. As at 15 March 2017, being the latest practicable date for determining such figure, the aggregate number of Shares in issue was 4,497,575,670. Subject to the passing of the Resolution and on the basis of such figure (and assuming no Shares are issued or bought back after 15 March 2017 and up to the date of passing the Resolution), the directors would be authorized to buy back Shares up to a limit of 449,757,567 Shares.

### **Reasons for Buy-backs**

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

### **Funding of Buy-backs**

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

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2016 in the event that the buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the directors do not propose to exercise the buy-back mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the directors are from time to time appropriate for the Company.

## **Disclosure of Interest**

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

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

## **Undertaking**

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

## **Code on Takeovers and Mergers**

The directors are not aware of any consequences which would arise under the Code on Takeovers and Mergers (the “Takeovers Code”) as a consequence of any buy-backs pursuant to the general mandate.

As at 15 March 2017, being the latest practicable date prior to the printing of this document, Ms. Chan Tan Ching Fen (founder of the Trust), Cole Enterprises Holdings (PTC) Limited (the Trustee of the Trust), Merssion Limited (company under the Trust) and Mr. Adriel W. Chan (a discretionary beneficiary of the Trust) were taken to have interest in the same parcel of 2,507,987,340 Shares representing 55.76 per cent of the aggregate number of Shares in issue, of which they were deemed to be interested in the 2,479,654,240 Shares held by HLGL and its subsidiaries. Based on such interests, in the event that the directors exercised in full the power to buy back Shares which is proposed to be granted at the Meeting, their interests in the aggregate number of Shares in issue would be increased from 55.76 per cent to 61.96 per cent.

HLGL together with its subsidiaries were beneficially interested in an aggregate of 2,479,654,240 Shares representing 55.13 per cent of the aggregate number of Shares in issue as at that date. Based on such interests, in the event that the directors exercised in full the power of buy back Shares which is proposed to be granted at the Meeting, the interests of HLGL and its subsidiaries in the aggregate number of Shares in issue would be increased from 55.13 per cent to 61.26 per cent.

In the opinion of the directors, the existing substantial shareholders of the Company would not be obliged to make a mandatory offer under rule 26 of the Takeovers Code as a result of such increase.

## **Share Buy-back made by the Company**

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

## Share Prices

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

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2016</b>		
March	15.14	13.46
April	16.44	14.10
May	15.10	13.64
June	15.80	14.22
July	17.28	15.10
August	17.86	16.34
September	19.32	17.24
October	17.94	16.90
November	17.74	15.94
December	17.82	15.86
<b>2017</b>		
January	19.22	16.48
February	20.10	19.08
March (up to the latest practicable date)	20.70	19.26

THIS PAGE IS INTENTIONALLY LEFT BLANK