

IMPORTANT

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HARBOUR CENTRE DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 51

Directors:

Mr. Stephen T. H. Ng (*Chairman*)

Hon. Frankie C. M. Yick, *JP*

Mr. Kevin C. Y. Hui

Registered Office:

16th Floor, Ocean Centre,
Harbour City, Canton Road,
Kowloon,
Hong Kong

Independent Non-executive Directors:

Dr. Joseph M. K. Chow, *OBE, JP*

Mr. H. M. V. de Lacy Staunton

Hon. Andrew K. Y. Leung, *GBS, JP*

Mr. Michael T. P. Sze

Mr. Brian S. K. Tang

24 March 2017

To the Shareholders

Dear Sir or Madam,

RE-ELECTION OF DIRECTORS, GENERAL MANDATES FOR BUY-BACK AND ISSUE OF SHARES AND NOTICE OF ANNUAL GENERAL MEETING

- (1) The purpose of this circular is to provide you with the information in connection with the ordinary resolutions to be proposed at the forthcoming annual general meeting of Harbour Centre Development Limited (the “**Company**”; together with its subsidiaries, the “**Group**”) to be held on 5 May 2017 (the “**AGM**”) to, *inter alia*, (i) re-elect retiring directors of the Company; and (ii) grant general mandates to buy back shares and to issue new shares of the Company.
- (2) Three directors of the Company (“**Directors**”) are due to retire from the board of Directors (the “**Board**”) at the AGM. Mr. H. M. V. de Lacy Staunton has decided not to stand for re-election. The other two retiring Directors, namely Mr. Stephen T. H. Ng and Dr. Joseph M. K. Chow (the “**Two Retiring Directors**”), being eligible, offer themselves for re-election at the AGM. The proposed re-election of the Two Retiring Directors will be voted on by the Shareholders under separate resolutions.

The Two Retiring Directors, after their re-election at the AGM, will not have any fixed term of service with the Company but are subject to retirement from the Board at annual general meetings of the Company at least once every three years. So far as the Directors are aware, save as disclosed below, as at 20 March 2017 (being the latest practicable date for determining the relevant information in this circular) (the “**Latest Practicable Date**”), (i) none of the Two Retiring Directors had any interest (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) (the “**SFO**”)) in the securities of the Company; (ii) none of the Two Retiring Directors held, or in the past three years held, any directorship in any listed public company or held any other major appointments or qualifications; (iii) none of the Two Retiring Directors had any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company; and (iv) in relation to the proposed re-election of the Two Retiring Directors, there is no information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and there is no other matter which needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

Relevant information relating to the Two Retiring Directors is set out in Appendix I to this circular.

- (3) At the annual general meeting of the Company held on 5 May 2016, ordinary resolutions were passed giving general mandates to Directors (i) to buy back shares of the Company on the Stock Exchange representing up to 10% of the number of shares in issue of the Company as at 5 May 2016; and (ii) to allot, issue and deal with shares subject to a restriction that the aggregate number of shares allotted or agreed to be allotted must not exceed the aggregate of (a) 20% of the number of shares in issue of the Company as at 5 May 2016, and (b) (authorised by a separate ordinary resolution as required by the Listing Rules) the number of any shares bought back by the Company since the granting of the general mandate for issue of shares.

Pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the Listing Rules, these general mandates will lapse at the conclusion of the AGM, unless renewed at that meeting. As such, resolutions will be proposed at the AGM to renew the mandates mentioned above. An explanatory statement as required under the Listing Rules to provide the requisite information in connection with the proposed buy-back mandate is set out in Appendix II to this circular.

- (4) Notice of the AGM is set out on pages 7 to 10 of this circular. A form of proxy for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM or any adjournment thereof, you are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not later than 3:30 p.m., on Tuesday, 2 May 2017, or in case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time fixed for the holding of such adjourned meeting. Completion of the form of proxy and its return to the Company will not preclude you from attending, and voting at, the AGM or any adjournment thereof if you so wish.
- (5) The Directors believe that the proposed resolutions in relation to the re-election of the Two Retiring Directors, and the general mandates in respect of the buy-back and issue of shares to be put forward at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
Stephen T. H. Ng
Chairman

APPENDIX I

DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Set out below is the relevant information relating to the Two Retiring Directors proposed to be re-elected at the AGM:

Mr. Stephen Tin Hoi NG, aged 64, has been Chairman and Director of the Company since 2009. He also serves as chairman of Nomination Committee and a member of Remuneration Committee. Among other listed companies in Hong Kong and Singapore, he is deputy chairman of Wheelock and Company Limited (“**Wheelock**”), the ultimate holding company of the Company, chairman and managing director of The Wharf (Holdings) Limited (“**Wharf**”), the holding company of the Company, chairman of i-CABLE Communications Limited and Wheelock Properties (Singapore) Limited, subsidiaries of Wharf and Wheelock respectively, non-executive chairman of Joyce Boutique Holdings Limited, as well as a non-executive director of Hotel Properties Limited, an associate of Wheelock. He was formerly a non-executive director of publicly listed Greentown China Holdings Limited.

Mr Ng was born in Hong Kong in 1952 and grew up in Hong Kong. He attended Ripon College in Ripon, Wisconsin, USA and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. Mr Ng is chairman of Project *WeCan* Committee, chairman of Hong Kong General Chamber of Commerce, a council member of Employers’ Federation of Hong Kong and Hong Kong Trade Development Council respectively.

Mr. Ng, as Chairman of the Company, receives from the Company a Director’s fee at such rate as approved by the Shareholders from time to time, currently being HK\$50,000 per annum, and also a Chairman’s office fee of HK\$960,000 per annum. The amount of emolument payable to Mr. Ng is determined by reference to the responsibilities of and time spent by him as Chairman of the Company, and is determined by the Company to be a reasonable amount. Save as disclosed above, Mr. Ng has no service contract with the Group and therefore receives no emolument from the Group other than the abovementioned Chairman’s office fee and Director’s fee.

Dr. Joseph Ming Kuen CHOW, *OBE, JP, RPE, FHKIE, FICE, FIStructE, FCIT, MIHT*, aged 75, has been an Independent Non-executive Director (“**INED**”) of the Company since 2010. He also serves as a member of Audit Committee. He is a professional civil and structural engineer. He is chairman of Joseph Chow & Partners Limited and is an INED of three companies publicly listed in Hong Kong, namely Build King Holdings Limited, Chevalier International Holdings Limited and Road King Infrastructure Limited. He was formerly an INED of publicly listed Hsin Chong Construction Group Ltd. (renamed as “Hsin Chong Group Holdings Limited”). Dr. Chow was formerly president of the Hong Kong Institution of Engineers, chairman of the Hong Kong Examinations and Assessment Authority, a member of Hong Kong Housing Authority, a member of Hospital Authority and chairman of the Hong Kong Construction Workers Registration Authority.

Dr. Chow receives from the Company a Director’s fee and an Audit Committee member’s fee at such rates as approved by Shareholders from time to time, currently being HK\$50,000 and HK\$20,000 per annum respectively. The relevant fee(s) payable to him is/are determined by reference to the level of fee normally payable by a listed company in Hong Kong to an INED. He has no service contract with the Group and therefore receives no emolument from the Group other than the abovementioned Director’s fee and Audit Committee member’s fee.

Dr. Chow had made an annual confirmation concerning his independence in accordance with Rule 3.13 of the Listing Rules. Based on the said confirmation made by him, the Board is of the view that Dr. Chow is independent in accordance with the independence guidelines under the Listing Rules and should be re-elected as an INED.

APPENDIX II

EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules which provides requisite information in connection with the proposed general mandate for share buy-back and also constitutes the Memorandum required under section 239 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong). References in this Statement to “**Share(s)**” mean share(s) in the share capital of the Company:

- (i) It is proposed that the general buy-back mandate will authorise the buy-back by the Company of up to 10% of the number of Shares in issue at the date of passing the resolution to approve the general buy-back mandate (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after passing of the resolution). As at 20 March 2017, being the Latest Practicable Date, the number of Shares in issue was 708,750,000 Shares. On the basis of such figure (and assuming no new Shares will be issued and no Shares will be bought back after the Latest Practicable Date and up to the date of passing such resolution), exercise in full of the general buy-back mandate would result in the buy-back by the Company of up to 70,875,000 Shares.
- (ii) The Directors believe that the general authority from the Shareholders to enable buy-back of Shares is in the best interests of the Company and the Shareholders. Share buy-backs may, depending on the circumstances and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (iii) The funds required for any buy-back would be derived from the distributable profits of the Company or such other funding legally available for such purpose in accordance with the Company’s constitutive documents and the applicable laws of Hong Kong.
- (iv) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent audited financial statements for the year ended 31 December 2016 being forwarded to the Shareholders together with this circular) in the event that the general buy-back mandate was exercised in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the general buy-back mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.
- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any close associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the general buy-back mandate is granted by the Shareholders, to sell Shares to the Company.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general buy-back mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

- (vii) As at the Latest Practicable Date, as recorded in the register required to be kept by the Company under Part XV of the SFO, The Wharf (Holdings) Limited, being the controlling shareholder of the Company, was interested in more than 50% of the number of Shares in issue. The Directors are not aware of any consequences which would arise under the Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general buy-back mandate.
- (viii) No purchase of Shares has been made by the Company in the six months prior to the Latest Practicable Date.
- (ix) No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell Shares to the Company in the event that the general buy-back mandate is granted by the Shareholders.
- (x) The highest and lowest prices at which Shares were traded on the Stock Exchange in each of the previous twelve months are as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
March 2016	14.10	12.58
April 2016	13.36	13.08
May 2016	13.26	12.68
June 2016	13.34	12.92
July 2016	13.82	13.06
August 2016	14.20	13.38
September 2016	14.10	13.76
October 2016	14.48	13.82
November 2016	14.50	14.00
December 2016	14.50	14.04
January 2017	14.50	14.16
February 2017	15.14	14.26
March 2017 up to the Latest Practicable Date	15.14	14.12

HARBOUR CENTRE DEVELOPMENT LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Harbour Centre Development Limited will be held in the Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong on Friday, 5 May 2017 at 3:30 p.m. for the following purposes:

- (1) To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the financial year ended 31 December 2016.
- (2) To re-elect the retiring Directors.
- (3) To appoint Auditors and authorise the Directors to fix their remuneration.

And to consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

- (4) **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs pursuant to the approval in paragraph (a) above shall not exceed 10% of the number of shares in issue of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of this Resolution), and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution, **“Relevant Period”** means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next Annual General Meeting of the Company;
 - (bb) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
 - (cc) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(5) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, options, warrants and other securities which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options, warrants and other securities which might require the exercise of such power 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 an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted by the Company or any securities which are convertible into shares of the Company; or (iii) 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% of the number of shares in issue of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of this Resolution); plus
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of shares of the Company bought back by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the number of shares in issue of the Company at the date of passing ordinary resolution (4) set out in the notice convening this meeting) (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of the said ordinary resolution(4)),

and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (aa) the conclusion of the next Annual General Meeting of the Company;
- (bb) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (cc) the revocation or variation of the approval given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors of the Company 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 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- (6) “**THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to ordinary resolution (5) set out in the notice convening this meeting be and is hereby extended by the addition thereto such further additional shares as shall represent the aggregate number of shares of the Company bought back by the Company subsequent to the passing of the said ordinary resolution (5), provided that the number of shares so added shall not exceed 10% of the number of shares in issue of the Company at the date of passing ordinary resolution (4) set out in the notice convening this meeting (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares after the passing of the said ordinary resolution (4)).”

By Order of the Board
Kevin C. Y. Hui
Director and Company Secretary

Hong Kong, 24 March 2017

Registered Office:

16th Floor, Ocean Centre,
Harbour City, Canton Road,
Kowloon,
Hong Kong

Notes:

- (a) *A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, to vote in his stead. A proxy needs not be a member of the Company. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be deposited at the Company’s registered office at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong not later than 3:30 p.m., on Tuesday, 2 May 2017, or in case of any adjournment thereof, not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time fixed for the holding of such adjourned meeting.*
- (b) *With reference to item (2) above, Mr. Stephen Tin Hoi NG and Dr. Joseph Ming Kuen CHOW are proposed to be re-elected at the forthcoming Annual General Meeting.*
- (c) *With reference to item (3) above, Messrs KPMG are proposed to be re-appointed as the Auditors of the Company.*
- (d) *With reference to the Ordinary Resolution proposed under item (5) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the mandate to be given thereunder.*

- (e) Pursuant to Rule 13.39(4) of the Listing Rules, the Chairman of the Annual General Meeting will put each of the above resolutions to be voted by way of a poll under Article 75 of the Company's Articles of Association.
- (f) The Register of Members of the Company will be closed from Friday, 28 April 2017 to Friday, 5 May 2017, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to ascertain shareholders' rights to attend and to vote at the forthcoming Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 27 April 2017.
- (g) If a tropical cyclone warning signal No. 8 or above is in force at or after 2:00 p.m. on the date of the Annual General Meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and the Company's website (www.harbourcentre.com.hk) to notify Shareholders of the date, time and venue of the rescheduled meeting.
- (h) The translation into Chinese language of this document is for reference only. In case of any inconsistency, the English version shall prevail.