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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 Tuesday, April 30, 2019 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 December 31, 2018.
2. To declare a final dividend.
3. To re-elect retiring directors of the board and authorize the board of directors to fix directors’ fees.
4. To re-appoint auditor and authorize the board of directors to fix auditor’s remuneration.

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

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

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

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

6. “THAT:

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

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

(d) for the purpose of this resolution:

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

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

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

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

By Order of the Board
Margaret Ka Man YAN
Company Secretary

Hong Kong, March 22, 2019

Registered Office:

28th Floor
4 Des Voeux Road Central
Hong Kong

Notes:

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

Executive directors: Mr. Ronnie C. CHAN, Mr. Weber W.P. LO, Mr. H.C. HO and Mr. Adriel W. CHAN

Non-executive director: Mr. Philip N.L. CHEN

Independent non-executive directors: Mr. Ronald J. ARCULLI, Mr. Nelson W.L. YUEN, Mr. Dominic C.F. HO, 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 December 31, 2018 are set out in the 2018 annual report.

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

RESOLUTION 2 – DECLARATION OF FINAL DIVIDEND

The Board has recommended a final dividend of 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 May 21, 2019 to shareholders whose names appear on the register of members on May 7, 2019.

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

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

Re-election of Retiring Directors

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

In accordance with article 103 of the Company's articles of association, Mr. Dominic C.F. HO, Mr. Philip N.L. CHEN and Ms. Anita Y.M. FUNG will retire from the Board by rotation at the Meeting and, being eligible, offer themselves for re-election. Pursuant to the code provision set out in paragraph A.4.3 of appendix 14 to the Listing Rules, any further appointment of independent non-executive directors serving more than nine years should be subject to a separate resolution to be approved by shareholders.

Mr. Dominic C.F. HO and Ms. Anita Y.M. FUNG, being independent non-executive directors, have satisfied all the criteria for independence set out in rule 3.13 of the Listing Rules and provided annual confirmations of independence to the Company. They have exercised impartial judgments and given independent guidance to the Company during their tenure of offices. The Board considers that they are independent.

Mr. Ho has served on the Board for more than nine years. The Board considers that the long service of Mr. Ho has enabled him to get an in-depth understanding of the Group's business and operations. He is also the chairman of the audit committee and a member of the nomination and remuneration committee. With his firm commitment to his role, the Board considers that he will continue to remain his independence.

Mr. Ho and Ms. Fung have also provided diversity of experience, skills, expertise and background to the Board.

Mr. Ho is a professional accountant with extensive experience and knowledge in accounting, auditing, economics, taxation and internal controls in Hong Kong and Mainland, where the Group's business operate. Coupled with his in-depth business experience and knowledge in capital markets, he has provided valuable and independent advice and guidance on the Group's strategies and policies, risk management and corporate governance.

Ms. Fung is widely recognized as one of the most seasoned experts in treasury capital markets. With her strong background and deep knowledge in financial markets of Hong Kong as well as other regions, she has provided independent views and guidance on strategic development, risk management and corporate governance.

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

Determination of Directors' Fees

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

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

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

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

RESOLUTION 5 – SHARE BUY-BACK MANDATE

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

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

RESOLUTIONS 6 AND 7 – GENERAL MANDATES TO ISSUE SHARES

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

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

The Board has no immediate plans to issue any new shares of the Company 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 retiring directors proposed to be re-elected at the Meeting:

1. **Mr. Dominic Chiu Fai HO**, aged 68, an independent non-executive director, the chairman of the audit committee and a member of the nomination and remuneration committee of the Company. Mr. Ho joined the Board in April 2008.

Mr. Ho retired as co-chairman of KPMG, China and HKSAR in March 2007. He obtained his degrees at the University of Houston in the United States and is a member of the American Institute of Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Ho was a past member of the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption and of the Insurance Advisory Committee, both in Hong Kong. He is an independent non-executive director of Singapore Airlines Limited and DBS Bank (Hong Kong) Limited, and the non-executive chairman of DBS Bank (China) Limited.

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

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

As at March 15, 2019, the latest practicable date, the Company received no notification of Mr. Ho having any interest in the securities of the Company and its associated corporation within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"). The amount of emoluments paid for the year ended December 31, 2018 to Mr. Ho is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 174 of the Company's 2018 annual report. The emoluments were determined with reference to his duty and responsibility (for serving on the Board, the audit committee and the nomination and remuneration committee of the Company). Mr. Ho 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. Ho that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

2. **Mr. Philip Nan Lok CHEN**, aged 63, a non-executive director of the Company. Mr. Chen joined the Company and its listed holding company, Hang Lung Group Limited (“HLG”), as chief executive officer in 2010 until he retired on July 16, 2018. With effect from July 16, 2018, Mr. Chen was appointed as adviser to chairman for one year and re-designated as non-executive director of the Company.

Mr. Chen has more than 30 years of management experience, mostly in the aviation industry, acquiring a wealth of experience in Hong Kong, Mainland China and beyond. Mr. Chen graduated from the University of Hong Kong in 1977 with a Bachelor of Arts degree and holds a Master’s degree in Business Administration from the same university.

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

As at March 15, 2019, the latest practicable date, in respect of Mr. Chen’s interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO, he notified the Company that he has interest in share options to subscribe for 24,000,000 shares in the Company pursuant to the share option schemes of the Company. The amount of emoluments paid for the year ended December 31, 2018 to Mr. Chen is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 174 of the Company’s 2018 annual report. The emoluments were determined by the scope of responsibility and accountability (for serving on the Board), and his individual performance as chief executive officer taking into consideration of the Group’s performance and profitability, market practice and prevailing business conditions. Mr. Chen has entered into a letter of appointment as non-executive director of the Company. 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. Chen 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. **Ms. Anita Yuen Mei FUNG**, aged 58, an independent non-executive director and a member of the audit committee of the Company. Ms. Fung joined the Board in May 2015.

Ms. Fung is former group general manager of HSBC Holdings plc and former chief executive officer Hong Kong of The Hongkong and Shanghai Banking Corporation Limited. She has held a number of positions with key financial bodies in Hong Kong and has been actively promoting the development of the financial markets of Hong Kong as well as other regions. She is a former member of the Financial Infrastructure Sub-Committee of the Exchange Fund Advisory Committee of Hong Kong Monetary Authority. Ms. Fung also serves on a number of public bodies and advisory bodies including an independent non-executive member of the board of Airport Authority Hong Kong, director of The Hong Kong Mortgage Corporation Limited, a member of the Museum Advisory Committee and a member of the Judicial Officers Recommendation Commission, and previously served as non-official member of Hong Kong Housing Authority and a member of the board of West Kowloon Cultural District Authority. She is also a trustee of Asia Society Hong Kong Center, an honorary professor of the School of Economics and Finance of the University of Hong Kong, and a court member of The Hong Kong University of Science and Technology and its former council member. Ms. Fung is an independent non-executive director of Hong Kong Exchanges and Clearing Limited, China Construction Bank Corporation and Westpac Banking Corporation, and former non-executive director of Bank of Communications Co., Ltd and Hang Seng Bank, Limited. She obtained her Bachelor's degree in Social Science from The University of Hong Kong and Master's degree in Applied Finance from Macquarie University, Australia. Ms. Fung was awarded the Bronze Bauhinia Star in 2013 and appointed Justice of the Peace in 2015.

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

As at March 15, 2019, the latest practicable date, the Company received no notification of Ms. Fung 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 December 31, 2018 to Ms. Fung is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 174 of the Company's 2018 annual report. The emoluments were determined with reference to her duty and responsibility (for serving on the Board and the audit committee of the Company). Ms. Fung does not have a service contract with the Company but she 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 Ms. Fung 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. Weber Wai Pak LO**, aged 48, chief executive officer and an executive director of the Company. Mr. Lo joined the Company and its listed holding company, HLG, as chief executive officer designate in May 2018, and became chief executive officer with effect from July 16, 2018. He also serves on the boards of a number of subsidiaries of the Company.

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

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

As at March 15, 2019, the latest practicable date, in respect of Mr. Lo's interest in the securities of the Company and its associated corporation within the meaning of Part XV of the SFO, he notified the Company that he has interest in share options to subscribe for 10,000,000 shares in the Company pursuant to a share option scheme of the Company. The amount of emoluments paid for the year ended December 31, 2018 to Mr. Lo is set out in note 7(a) to the financial statements for the year ended December 31, 2018 on page 174 of the Company's 2018 annual report. The emoluments were determined by the scope of responsibility and accountability (for serving on the Board), and his individual performance, taking into consideration of the Group's performance and profitability, market practice and prevailing business conditions. Mr. Lo has not been appointed for a specific length of service but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association and the Listing Rules.

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

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

Share Capital – Number of Shares in Issue

It is proposed that a maximum of 10 per cent of the aggregate number of shares of the Company (the “Shares”) in issue as at the date of the resolution approving the grant of a share buy-back mandate (the “Resolution”) (subject to adjustment in the case of any sub-division and consolidation of Shares after the Meeting) may be bought back. As at March 15, 2019, being the latest practicable date for determining such figure, the aggregate number of Shares in issue was 4,497,718,670. Subject to the passing of the Resolution and on the basis of such figure (and assuming no Shares are issued or bought back after March 15, 2019 and up to the date of passing the Resolution), the Board would be authorized to buy back Shares up to a limit of 449,771,867 Shares.

Reasons for Buy-backs

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

Funding of Buy-backs

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

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

Disclosure of Interest

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

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

Undertaking

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

Code on Takeovers and Mergers

The Board is 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 March 15, 2019, 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 2,619,719,340 Shares representing 58.25 per cent of the aggregate number of Shares in issue, of which they were deemed to be interested in the 2,591,386,240 Shares held by HLG and its subsidiaries. Based on such interests, in the event that the Board exercised in full the power to buy back Shares which is proposed to be granted at the Meeting, their interests in the aggregate number of Shares in issue would be increased from 58.25 per cent to 64.72 per cent.

HLG together with its subsidiaries were beneficially interested in an aggregate of 2,591,386,240 Shares representing 57.62 per cent of the aggregate number of Shares in issue as at that date. Based on such interests, in the event that the Board exercised in full the power of buy back Shares which is proposed to be granted at the Meeting, the interests of HLG and its subsidiaries in the aggregate number of Shares in issue would be increased from 57.62 per cent to 64.02 per cent.

In the opinion of the Board, 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:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2018		
March	19.56	18.00
April	18.76	17.66
May	19.20	17.08
June	18.50	16.06
July	16.74	15.20
August	16.64	15.38
September	15.84	14.62
October	15.46	13.90
November	15.86	14.08
December	16.24	14.80
2019		
January	17.24	14.38
February	19.28	17.12
March (up to the latest practicable date)	19.24	18.16