

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*)
Mr. Kevin K. P. Chan
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*
Mr. Paul Y. C. Tsui
Hon. Frankie C. M. Yick

Registered Office:

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

(Independent Non-executive Directors)*

9 April 2015

To the Shareholders

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES FOR REPURCHASE 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 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 12 May 2015 (the “**AGM**”) to, *inter alia*, (i) re-elect retiring directors of the Company; and (ii) grant general mandates to repurchase 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. Kevin K. P. Chan has decided not to stand for re-election. The other two retiring Directors, namely, Mr. H. M. V. de Lacy Staunton and Mr. Michael T. P. Sze (the “**Two Retiring Directors**”) are proposed to be re-elected at the AGM. 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 31 March 2015 (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 and none of the Two Retiring Directors is/was involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities 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**”).

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

Mr. Hugh Maurice Victor de LACY STAUNTON, aged 79, has been an Independent Non-executive Director (“**INED**”) of the Company since 2001. He was a career banker with HSBC for 37 years. Immediately prior to retirement from HSBC, Mr. de Lacy Staunton was the chairman and managing director of HSBC Trustee and a director of a number of other HSBC companies. He is the chairman of the advisory committee to The Bradbury Charitable Foundation.

Mr. de Lacy Staunton receives from the Company a Director’s fee at such rate as approved by Shareholders from time to time, currently being HK\$50,000 per annum. 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 independent non-executive director. He has no service contract with the Group and therefore receives no emolument from the Group other than the abovementioned Director’s fee.

Mr. de Lacy Staunton has served as an INED of the Company for more than nine years. Notwithstanding such a long continuous period of his holding office as an INED, given that he has confirmed in writing to the Company of his independence with reference to various matters set out in Rule 3.13 of the Listing Rules, the Board is satisfied with his independence and believes he is still independent. Furthermore, given the extensive knowledge and experience of Mr. de Lacy Staunton, the Board believes that his re-election is in the best interests of the Company and its Shareholders and therefore he should be re-elected. Pursuant to Code Provision A.4.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, such re-election will be subject to a separate resolution to be approved by the Shareholders at the AGM.

Mr. Michael Tsai Ping SZE, FCA (Eng. & Wales), FCCA, FCPA, aged 69, has been an INED of the Company since 2007. He also serves as a member and the chairman of the Company's Audit Committee and Remuneration Committee as well as a member of the Company's Nomination Committee. Mr. Sze has over 30 years of experience in the financial and securities field. He graduated with a Master of Laws (LLM) Degree from The University of Hong Kong. He was a former member of The Securities and Futures Appeals Tribunal. He was also a former council member and member of the Main Board Listing Committee of the Stock Exchange. Mr. Sze is an INED of GOME Electrical Appliances Holding Limited, Greentown China Holdings Limited and Walker Group Holdings Limited, all of which are listed on the Stock Exchange.

Mr. Sze 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 independent non-executive director. 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.

- (3) At the annual general meeting of the Company held on 23 May 2014, ordinary resolutions were passed giving general mandates to Directors (i) to repurchase shares of the Company on the Stock Exchange representing up to 10% of the shares of the Company in issue as at 23 May 2014; and (ii) to allot, issue or otherwise deal with shares subject to a restriction that the aggregate number of shares to be allotted or agreed to be allotted must not exceed the aggregate of (a) 20% of the number of shares of the Company in issue as at 23 May 2014, plus (b) (authorised by a separate ordinary resolution as required by the Listing Rules) the number of any shares repurchased 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 repurchase mandate is set out in the Appendix II to this circular.

- (4) Notice of the AGM is set out on pages 6 to 8 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 less than 48 hours (exclusive of any part of a day that is public holiday) before the time fixed for the holding of the AGM or any adjournment thereof. 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 repurchase 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

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 repurchase of shares and also constitutes the Memorandum required under section 239 of the Companies Ordinance. References in this Statement to “**Share(s)**” mean ordinary share(s) of the Company:

- (i) It is proposed that the general repurchase mandate will authorise the repurchase by the Company of up to 10% of the Shares in issue at the date of passing the resolution to approve the general repurchase 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 31 March 2015, 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 Share will be repurchased after the Latest Practicable Date and up to the date of passing such resolution), exercise in full of the general repurchase mandate would result in the repurchase by the Company of up to 70,875,000 Shares.
- (ii) The Directors believe that the general authority from the Shareholders to enable repurchase of Shares is in the best interests of the Company and the Shareholders. Repurchases 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 repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (iii) The funds required for any repurchase would be derived from the distributable profits of the Company or such other fundings legally available for such purpose in accordance with the Company’s constitutive documents and the 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 2014 being forwarded to the Shareholders together with this circular) in the event that the general repurchase mandate were exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general repurchase 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 repurchase 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 repurchase 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 Shares in issue. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general repurchase mandate.
- (viii) No purchase has been made by the Company of Shares 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 repurchase 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>
April 2014	14.18	13.08
May 2014	13.60	12.50
June 2014	13.30	12.80
July 2014	14.16	12.96
August 2014	14.02	13.56
September 2014	14.38	13.76
October 2014	14.18	13.60
November 2014	14.00	13.58
December 2014	14.20	13.64
January 2015	14.96	13.80
February 2015	14.30	13.50
March 2015	14.10	13.82

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 Tuesday, 12 May 2015 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 2014.
- (2) To re-elect the retiring Directors.
- (3) To appoint Auditors and authorise the Directors to fix their remunerations.

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 pursuant to the approval in paragraph (a) above shall not exceed 10% of the shares of the Company in issue 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 in the capital 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); or (ii) 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 of the Company in issue 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 repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the number of shares of the Company in issue 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

- (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 repurchased by the Company subsequent to the time of passing ordinary resolution (4) set out in the notice convening this meeting, provided that the number of shares so added shall not exceed 10% of the number of shares of the Company in issue at the date of passing ordinary resolution (5) 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 this Resolution).”

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

Hong Kong, 9 April 2015

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 at his/her own choice, another person as his/her proxy to attend and, in the event of a poll, to vote in his stead. A member may also appoint separate proxies to represent respectively such number of the shares in the Company registered under his/her name. 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 less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for the holding of the meeting or adjourned meeting.*
- (b) *With reference to the Ordinary Resolution proposed under item (2) above, Mr. H. M. V. de Lacy Staunton and Mr. Michael T. P. Sze, who will retire from the board of directors of the Company, are proposed to be re-elected at the forthcoming Annual General Meeting.*
- (c) *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.*
- (d) *The Register of Members of the Company will be closed from Tuesday, 5 May 2015 to Tuesday, 12 May 2015, both days inclusive, during which period no share transfers can be registered. In order to ascertain shareholders' rights for the purpose of attending and voting 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 Monday, 4 May 2015.*