



Code of Ethics

TABLE OF CONTENT

1	Introduction.....	1
2	Guiding Principles.....	1
3	Compliance with Laws and Regulations, Company’s Policies and Procedures....	2
4	Non-Disclosure of Confidential Information	2
5	Compliance with Financial Controls and Reporting Requirements	2
6	Protection of Company’s Information, Records and Assets	3
7	Privacy Compliance	3
8	Information Security	4
9	Avoiding Conflict of Interest.....	4
10	No Bribery.....	6
11	Moderation in Gifts and Entertainment	6
12	Relationships with Suppliers and Contractors	7
13	Equal Opportunities.....	8
14	Health, Safety and the Environment.....	8
15	Compliance with the Code and Obligation to Report.....	9
Appendix 1	Explanatory Notes on Data Protection Principles.....	i
Appendix 2a	Declaration Form - Conflict of Interest.....	ii
Appendix 2b	Declaration Form – Part-time Employment.....	iii
Appendix 2c	Application for Offering Services to External Institution.....	iv
Appendix 3	The Prevention of Bribery Ordinance (Cap. 201).....	v
Appendix 4	Report on Business Entertainment/ Personal Benefit Form.....	vi
Appendix 5	Administrative Guideline for Handling Red Packet(s)	vii
Appendix 6	Approval Authorities.....	viii

1 Introduction

Hysan is committed to maintaining a high standard of integrity and ethical behaviours in the business practices. Hysan believes that a reputation for honesty, trustworthiness and fair play is an important business asset and is essential to the long-term growth and success of the Company.

This set of Code of Ethics (“**Code**”) applies to **Staff** (including Directors, officers and employees of Hysan Development Company Limited and its wholly owned subsidiaries). In the case of joint ventures, Hysan representatives are expected to act in accordance with this Code themselves and to use reasonable endeavours to influence those with whom they are working to act to similar standard of integrity and ethical behaviour. Likewise, contractors and suppliers working for the Company are encouraged to follow this Code during their contract term with the Company.

2 Guiding Principles

The Code follows the guiding principles set out below.

Guiding Principles

- **Respect for People**

Hysan values its Staff and is committed to maintaining an environment of courtesy and respect for everyone in all business dealings. Hysan advocates an open communications culture throughout the Company. At the same time, it respects the privacy of its employees, customers and others and handles with utmost care of all personal and business information.

- **Ethics and Business Integrity**

Hysan is committed to conducting all its business with strong business ethics and integrity. We use every effort to comply with all applicable legal requirements and company policies and exercise ethics beyond the narrow sense of legal compliance. We strive to conduct all our businesses honestly and fairly with no conflict of interests or undue influence.

- **Meeting Our Responsibility**

Hysan is committed to conducting its business responsibly and professionally. We require our Staff to be fitted for their jobs and high level of performance of their duties. Staff are under an obligation to take reasonable care to ensure the Company meet its commitment to all its stakeholders.

Staff are required to comply and act in accordance with the Code and to do everything possible to influence those with whom they are working to ensure that they also act to similar standard of integrity and ethical behaviour.

The adherence of the Code should be observed in the different phases during the following process of the procurement and management of consultancy agreements.

The said process covers along from the identifying needs of consultants, preparing project brief, short-listing consultants, inviting and receiving tenders, evaluating tenders, conducting negotiations, awarding consultancy agreements, monitoring consultants’ performance,

processing payment applications, monitoring variations to the consultancy agreement, and enforcing documentation.

The Company takes all complaints seriously and will undertake investigations promptly and impartially. Employees who are engaged in breach of the Code will be subject to disciplinary actions. The senior management fully supports those who in good faith report any potential or actual breaches of the Code. The Code will be reviewed from time to time and may be supplemented by specific codes where appropriate. Staff who have any doubt, or any queries regarding the content of this Code should seek the advice of Human Resources Department. Legal Department may also be consulted when legal issues are involved.

3 Compliance with Laws and Regulations, Company's Policies and Procedures

Hysan is committed to complying with all applicable laws and regulations. Staff are required to adhere strictly to all applicable laws, regulations and statutory codes. The laws that apply to the particular international transactions and activities include those countries where the transactions occur.

Hysan requires all Staff to comply with the policies and procedures of the Company, include departmental management controls and practices. Questions or issues relating to the Company policies and procedures should be referred to the responsible department/unit heads who own the relevant policies or procedures.

4 Non-Disclosure of Confidential Information

“Confidential Information” refers to information that are not publicised or released to the public domain relating to the Company's business affairs, proprietary products, technology, research, development and trade secrets including those of its affiliated companies and certain entities with which the Company does business and information which the Company is under an obligation to keep confidential whether by law or listing rules or under contract or otherwise.

Each Staff is required to covenant that he shall not at any time during his/her employment or after the termination of the employment disclose to any person or make use of any of the confidential information without the consent of his/her supervisor(s).

All notes, data, information and memoranda of any nature and in particular the confidential information which shall be acquired, received or made by the Staff during the course of employment or relating to their duties shall be the property of the Company and shall be surrendered by the Staff to the Company at the termination of employment or at the request of the Company at any time during the course of employment or at any time thereafter.

5 Compliance with Financial Controls and Reporting Requirements

Hysan is committed to presenting a clear and balanced assessment of the Company's financial position and prospects. Company books, invoices, records, accounts, funds and assets must be created and maintained to reflect fairly and accurately and in reasonable

details. The underlying transactions and the disposition of the Company business must be properly recorded. The Company always ensures the preparation of true, fair, timely and understandable picture in all corporate disclosure, reports and documents. Staff are prohibited from making any false or misleading financial statements or other entries in financial records or corporate disclosure or any document relating to the Company's financial position.

Staff are required to cooperate fully with the internal and external auditors, and are prohibited from destroying, altering or falsifying any records that are connected to an investigation, litigation or legal proceedings.

6 Protection of Company's Information, Records and Assets

Staff have a duty to safeguard the Company's assets and resources. The Company's assets and resources include properties, facilities, equipment, materials, Company's records, customer and tenant information, etc. Use of the Company's assets and resources shall follow Company's procedures and practices. All uses of Company's assets and resources, other than for the Company's business purpose, require prior authorisation and reasonable justification and follow the Company's policies and procedures.

Staff should protect the Company's intellectual property rights in accordance with the relevant Company's requirements and the applicable laws and regulations. Any intellectual property and technology developed by the Staff in the course of their employment is the property of the Company. All messages created, sent or retrieved using Company's internet and email facilities remain the property of the Company. Staff as users shall ensure these facilities are used in an ethical and lawful manner in accordance with the Company's policies and procedures and applicable laws and regulations.

7 Privacy Compliance

Hysan respects personal data privacy and is committed to implementing and complying with the data protection principles under the Personal Data (Privacy) Ordinance. Staff are required to comply with the Personal Data (Privacy) Ordinance and the Company's privacy compliance policies and procedures.

Staff are required to protect the personal information of customers and tenants in strict compliance with the Personal Data (Privacy) Ordinance. Appendix 1 sets out some explanatory notes of the Data Protection Principles.

The personal information of customers and tenants should be used in the proper context only for authorised business purposes and shall be accessible only to those Staff who have a legitimate need to know.

Staff as well as the Company are liable to criminal sanctions under the Personal Data (Privacy) Ordinance (“**PDPO**”) if found guilty of knowingly or recklessly contravening its provisions. Failure to act in accordance with this Code will be viewed as misconduct and is likely to result in disciplinary action against the Staff in breach.

8 Information Security

Unless otherwise authorised, Staff are not allowed to add, alter, copy or delete any programme or data on their computer provided to them by the Company. Any act to cause the Company's computer to malfunction or access the Company's computer with an intention to commit an offence, deceive, dishonestly gain or dishonestly cause loss to another is a serious offence and can lead to summary dismissal and police investigation.

Only software authorised by the Company can be installed and used. Internet and email facilities are provided primarily for business purposes. The Company reserves the right to monitor all email messages and internet usage. Staff shall always comply with the Company's IT policies and procedures governing the electronic communications.

9 Avoiding Conflict of Interest

A conflict of interest situation arises when the private interest of Staff competes with or contravenes the interest of the Company. Private interest includes both the financial and personal interests of Staff and those of their connections. Examples of connections can be but are not limited to family members, relatives, etc.

Staff should avoid any situation which may lead to an actual or perceived conflict of interest. Should such situation arises, Staff should make a declaration in writing via the "Declaration Form – Conflict of Interest" (set out in Appendix 2a) and submit to their supervisor(s).

Staff should ensure at all times that they do not place themselves in a position of obligation that may lead to a conflict of interest in dealings with customers, suppliers, contractors and colleagues. Directors should disclose potential conflict of interest to the Board.

The circumstances in which a conflict of interest might arise include the following:

9.1 Gambling

Staff should not engage in frequent and excessive gambling of any kind, including games of mahjong, in particular with persons having business dealings with the Company. In social occasions with clients, suppliers or business associates, Staff must exercise judgment and withdraw from any high stake games of chance.

9.2 Loans

Staff or their immediate family members should not grant or guarantee a loan to, or accept a loan from or through the assistance of, any individual or organisation having business dealings with the Company. There is, however, no restriction on normal bank borrowing or lending from banks or financial institutions on normal commercial terms.

9.3 Outside Employment

No Staff shall take up any directorship (Appendix 2a: Declaration Form- Conflict of Interest) or part-time employment (Appendix 2b: Declaration Form – Part-time Employment) of any corporations/organisations or offering services/ taking up positions in any external institutions on behalf of the Company (Appendix 2c: Form of "Application for Offering

Services to External Institution”), except with prior written approval of the Company (approval authorities are set out in Appendix 6).

Approval to take up any directorship or part-time employment or external services will only be considered in circumstances where the interests of Hysan will not be prejudiced.

9.4 Insider Information & Trading

Staff are strictly prohibited from providing or making available confidential or insider information to anyone without proper authorisation, or using confidential or insider information for own benefit or to benefit or harm others whether through the use of agents, partners, contractors, family members or parties acting on their behalf or otherwise.

Staff must abide by the requirements of all applicable securities codes and regulations. Directors and other specified employees (“**Restricted Employees**”) of the Company are further required to refrain from dealing with the Company’s securities at certain times and under certain conditions, and abide by the Company’s codes, policies and procedures on securities transactions. As soon as a Restricted Employee (who, because of his/her office, is likely to be in possession of unpublished inside information in relation to Hysan Group) becomes aware of or privy to any negotiations, agreements or unpublished information, which are or may be inside information of Hysan, he/she shall refrain from dealing in Hysan’s securities until proper disclosure of the information is made in accordance with the Listing Rules. A Restricted Employee should also avoid dealing in Hysan’s securities during a “black out period” as prescribed under the Listing Rules from time to time. A Restricted Employee must also seek to prohibit any person connected with him/her or acting on his/her behalf from dealing in Hysan’s securities during the “black out period” or at any time when the Restricted Employee is in possession of unpublished inside information in relation to Hysan.

Restricted Employees should not make any unauthorised disclosure of confidential information, whether to co-trustees or to any other person (even those to whom he/she owes a fiduciary duty) or make use of such information for the advantage of himself/herself or others.

General enquires on these requirements may be directed to the Company Secretary.

9.5 Business Decisions

Staff involved in the procurement process or evaluation of business proposals or the selection of the Company’s suppliers and contractors should avoid situations that could interfere, or appear to interfere with their ability to make fair and impartial decisions (e.g. Staff involved in decision making is closely related to or has a beneficial interest in a prospective business associate of the Company).

The aforementioned circumstances are not exhaustive; Staff should exercise due discretion and judgment with prudence in each particular situation.

10 No Bribery

The Company prohibits bribery and corrupt practices. The term “**Bribe**” may include any illicit advantage offered or accepted as an inducement to or reward for performing or abstaining from performing any Company’s duties. Under Section 9(1) of the Prevention of Bribery Ordinance (which is extracted in Appendix 3), any Staff soliciting or accepting an advantage in connection with his/her work without the permission of the employer commits an offence. The term “**advantage**”, as defined in the Ordinance, includes money, gift, loan, fee, reward, employment, contract, service and favour. The person who offers the advantage may also commit an offence under Section 9(2) of the Ordinance. Staff are also strictly prohibited from avoiding the anti-bribery provisions through the use of agents, partners, contractors, family members or any others acting on someone’s behalf. Any Staff who receives an offer of bribery must immediately report it to his/her supervisor or internal audit.

11 Moderation in Gifts and Entertainment

Hysan is committed to conducting all businesses without undue influence. Staff are required to exercise good judgment and practise moderation in giving or receiving business gifts and entertainment to or from anyone, including a current or prospective supplier, vendor, contractor or tenant of the Company, to avoid any possibility of compromising, or appearing to compromise, the objectivity of business decisions.

11.1 Offer of Gifts

Staff are prohibited from offering gifts or advantages to any directors, officers and employees or agent of another company or organisation, for the purpose of influencing such person in any dealing, or any public official, whether directly or indirectly through a third party, when conducting the Company’s business. Even when an offer of gift or advantage carries no intention of improper influence, it should be ascertained that the intended recipient is permitted by his/her employer/principal to accept it under the relevant circumstance before the gift or advantage is offered.

When giving gifts to and entertaining external business associates, Staff must ensure that these are offered only in connection with legitimate business interests and purposes and are not excessive or too frequent. Business gifts and entertainment expenses must be processed through proper budget, approval, record-keeping and documentation procedures. When providing gifts, Staff must emphasise they are for the benefit of the recipient company rather than for specific individuals.

11.2 Acceptance of Advantage

Staff must not solicit and must decline any form of advantage, personal benefit or gift offered by any external business associates. In the course of conducting our business, the Company recognises that there will be occasion when it is appropriate, upon courtesy and relationship building, to give or receive small gifts of nominal and non-cash value, such as promotional or advertising souvenirs or gifts of consumable nature (e.g. gift baskets, flowers), or business entertainment to and from external business associates. Anyone who receives or is offered a gift with value of more than HK\$500.00 must declare the details and seek relevant supervisor’s approval in accordance with Appendices 4, 5 and 6. The declaration should be submitted to the relevant supervisor as soon as practicable and in

any event within one month from the date of receipt. A proper disposal method should then be reviewed and authorised.

Staff must not solicit red packet(s) from any external business associates in any circumstances. The Company also does not encourage the acceptance of red packet(s) from any external parties. However, the management acknowledges the tradition of giving red packet(s), etc. during festive seasons as a friendly gesture. Please refer to the “Administrative Guideline for Way of Handling Red Packet(s)” set out in Appendix 5.

Staff must decline any invitation to any form of incommensurate entertainment (e.g. luxurious, excessive, or too frequent) offered by any external business associates. If a Staff has received an invitation for any incommensurate entertainment, he/she must declare the details and seek relevant supervisor’s approval in accordance with Appendices 4 and 6 as soon as practicable and in any event within one month from the date of invitation or when he/she becomes aware of the incommensurate nature of the entertainment.

In any event, Staff should decline any form of advantages, personal benefit or gift or incommensurate entertainment if the acceptance could :

- affect the objectivity or induce the Staff to act against the Company’s interest
- lead to questions or complaints of bias or impropriety
- make the Staff feel obliged to return a favour in connection with any business dealings

Duly approved declaration form should be sent to Human Resources Department for record as soon as practicable.

12 Relationships with Suppliers and Contractors

12.1 Fair and Open Competition

The Company promotes fair and open competition and aims to develop and secure long-term relationships with suppliers and contractors on the basis of fair play.

12.2 Meeting the Public Interest and Accountability Standards

Procurement process for supplies or services should be conducted in a manner consistent with the highest ethical standards to assure a quality end product as well as the continued confidence of customers, suppliers and the public.

12.3 Procurement and Tendering Procedures

The contracting of services and the purchase of goods should be based solely upon price, quality and need. Procurement and tendering procedures should be conducted according to the following principles:

- Impartial selection of capable and responsible suppliers and contractors;
- Maximisation of competition;
- Selection of appropriate contract types according to need;
- Compliance with laws, relevant regulations and contractual obligations; and
- Adoption of effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractice in the procurement and tendering process.

Procurement and tendering processes implemented according to this policy will specifically include procedures and practices designed to detect and prevent fraudulent activity.

12.4 Competition and Antitrust

Hysan is committed to complying with all applicable competition and antitrust laws. Staff should acquaint themselves and comply with the applicable competition laws to which their businesses are subject. These are laws that aim to protect competition by prohibiting anti-competitive behavior. Breach of competition laws is a serious offence and may expose Hysan to severe penalties and other sanctions, and individuals to imprisonment. A non-exhaustive list of anti-competitive behavior which would potentially amount to an infringement of competition laws is set out below:

- Participating in price fixing, collective boycotts or market sharing arrangements;
- Exchanging competitively sensitive information with competitors;
- Imposing restrictions on customers or suppliers, including retail price maintenance; and
- Abusing a position of substantial market power or market dominance.

13 Equal Opportunities

The Company is committed to recruiting and developing people with suitable qualifications, experience, skills, potential and performance, regardless of sex, marital status, family status, pregnancy, disability, age, sexual orientation, gender identity, race, colour, descent, national or ethnic origins, nationality and religion.

Staff should observe the requirements of the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance and their respective related Codes of Practice. Staff who engage in any act or conduct of discrimination or sexual harassment will be subject to disciplinary actions.

Any queries should be referred to the Human Resources Department. All cases will be thoroughly investigated and treated in the strictest confidence.

14 Health, Safety and the Environment

Hysan is committed to doing its best to safeguard the health and safety of its Staff, those with whom it does business and the communities within which it operates. It aims to create long term value for its shareholders. Achieving this depends on the sustainable development of its businesses and the communities in which it operates. To this end, Hysan is committed to being a good steward of the natural resources and biodiversity under its influence and to ensuring that all potential adverse impacts of our operations on the environment are identified.

15 Compliance with the Code and Obligation to Report

Hysan is committed to full compliance of the Code by its Staff. It is the responsibility of Staff to understand and comply with the Code. Supervisors have the responsibility to ensure that their subordinates understand and comply with the Code.

The Company has adopted a separate whistleblowing policy available at the website of the Company.

Any Staff who becomes aware of any existing or potential breach of any of the Code provisions is required to report promptly to the Internal Audit or the Company's designated independent third party, who will report to the Audit and Risk Management Committee of the Group directly.

The identity of any complainant will be kept confidential. The Company will investigate reports of breach and will take such action it considers appropriate including disciplinary actions, termination of employment or preventive action. Cases of suspected corruption or other criminal offences, will be reported to the ICAC or other appropriate authorities as considered appropriate.

Anyone found violating the Code will be subject to disciplinary actions which may include dismissal.

Staff should not seek to avoid these provisions by using agents, partners, contractors, family members, controlled companies or parties acting on their behalf.