

Auditor Services Policy - Engaging Professional Services from Auditors

1. OBJECTIVE

The purpose of this policy is to set parameters for the engagement of the Auditors by Hysan consistent with applicable law and Hysan's corporate governance principles.

2. SCOPE & DEFINITION OF AUDITORS

2.1 This policy covers all work that may be performed by the Auditors through engagements with Hysan or its subsidiaries.

2.2 The term "Auditors" refers to the firm of accountants and its affiliates that is appointed to perform the audit of the consolidated financial statements of Hysan and its subsidiaries. The current Auditors are Deloitte Touche Tohmatsu in Hong Kong.

3. POLICY

3.1 Scope of work and authorization standards:

3.1.1 The authority of the Audit and Risk Management Committee, including as regards to engagement of the Auditors, are set out in the Committee's terms of reference.

3.1.2 The Auditors will only perform audit services, non-audit services and defined tax work. Definitions of "audit services", "non-audit services" and "tax work", along with examples, are included in Schedule 1.

3.1.3 The Audit and Risk Management Committee may approve exceptions to 3.1.2 above when it determines that such an exception is in the overriding best interests of Hysan and it is determined that such an exception does not impair the independence of the Auditors. However, certain non-audit activities are generally prohibited and generally will not be considered for exception from this policy. These prohibited non-audit activities are listed in Schedule 1.

3.2 On-going relationship standards:

3.2.1 Hysan supports the principle of partner rotation for its Auditors. The current Auditors have such a system in place.

3.2.2 Hysan will not employ, in a financial reporting oversight role, a member of the Auditors engagement team within 24 months of the final closure of the audit in which that individual last participated.

3.3 Measurement and Reporting Processes

3.3.1 On an annual basis, the Chief Financial Officer will prepare and present to the Audit and Risk Management Committee a summary report of all engagements of the Auditors that are currently underway or have been completed since the prior report. The summary report will describe the nature of each engagement, confirm that each engagement is in compliance with this policy and state the fees received by the Auditors for each engagement.

3.3.2 In addition to complying with Company's level of authority, Chief Financial Officer will be responsible for reviewing all contracts of engagement with the Auditors, except for contracts directly engaged by the Audit and Risk Management Committee or Internal Audit.

4. POLICY OWNER AND RESPONSIBILITY

The Audit and Risk Management Committee is the owner of this policy and will review and update this policy and providing interpretations on its application.

Schedule 1

Categories of Work	Examples of Services
Audit Services	Statutory audits or financial audits for Hysan and its subsidiaries or affiliates.
	Services associated with Stock Exchange and SFC statements, periodic reports and other documents filed with the regulators or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to comment letters.
Non-Audit Services	Employee benefit plan audits and other employee investment equity audits.
	Agreed-upon-procedures reports or statutory compliance, regulatory or government procedures required to comply with financial, accounting or regulatory reporting matters.
	Due diligence services with respect to acquisitions or mergers of Hysan. These include the review of financial and tax information of the target and providing advice with respect to the likely impact on the reported financial statements and disclosures of Hysan.
	Closing balance sheet audits pertaining to dispositions.
	General assistance with implementation of the requirements of Stock Exchange or SFC rules or other applicable listing standards.
Tax Work	Review of the financial statement implications of Hong Kong and local tax consequences of business transactions.
	Hong Kong and local tax compliance – Hysan consolidated and subsidiaries including the preparation of tax returns.
	Assistance with tax audits and appeals before the IRD and other competent tax authorities.
	Tax assistance regarding statutory, regulatory or administrative developments.
Prohibited Non-Audit Activities	<p>The Auditors is prohibited from providing any of the following services:</p> <ul style="list-style-type: none"> (a) Bookkeeping or other services related to the accounting records or financial statements of Hysan, (b) Financial information systems design and implementation, (c) Appraisal or valuation services, (d) Internal audit outsourcing services, (e) Management functions or human resources, and (f) Any other services that the Stock Exchange, SFC or applicable regulator determines impermissible.