

RISK APPETITE STATEMENT

1. STATEMENT

Hysan's risk appetite articulates the Group's principle towards risk acceptance in pursuit of its strategic mission and business objectives. In line with the Group's values and expectations of stakeholders, the Group only takes reasonable and manageable risks which are aligned with its strategy, and do not expose the Group to:

- material risks in a fast-changing business environment ultimately impacting the relevancy and competitiveness of our business position in the long run;
- major hazardous conditions affecting the health and safety of stakeholders, employees, partners and/or the community;
- material financial loss impacting the financial viability and stability of the Group;
- material breach of legislative and regulatory requirements resulting in substantial non-compliance penalties;
- major incidents triggering profound damage to the Group's reputation and image; and
- material circumstances leading to severe impact on the environment or the Group's sustainability strategy.

Actual risk tolerance levels vary according to the risks being assessed and managed, and are deliberately considered and set under the Group's framework for corporate governance and risk management.

2. APPROVAL AND REVIEW OF THIS STATEMENT

This Statement has been approved by the Board. The Audit and Risk Management Committee is responsible for regular review of this Statement. Any subsequent amendment of this Statement shall be reviewed by the Audit and Risk Management Committee and approved by the Board.

Definitions :

“**Board**” shall mean the board of directors of the Company.

“**Company**” or “**Hysan**” shall mean Hysan Development Company Limited.

“**Group**” shall mean the Company and its subsidiaries.
