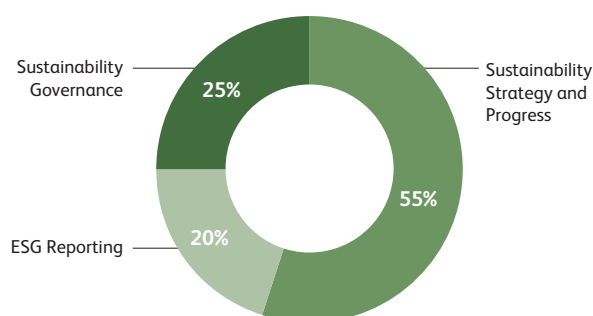


Sustainability Committee Report

Dear Shareholders,

We are pleased to present the Sustainability Committee Report for 2021. The primary roles of the Sustainability Committee are to review and oversee the Group's corporate responsibility activities, sustainability development and related policies. The Committee is tasked with overseeing the Group's overall vision and action plans for corporate responsibility and sustainability, and bringing any related issues to the attention of the Board. It also assesses and makes recommendations on matters concerning the Group's sustainability opportunities and risks.

Committee activities and agenda time during the reporting period



Composition

The majority of the Committee is comprised of Independent Non-Executive Directors

Committee members

Jebsen Hans Michael B.B.S. (Chairman)

Fan Yan Hok Philip*

Wong Ching Ying Belinda*

* Independent Non-Executive Director

Highlights in 2021 and 2022

- Reviewed and endorsed the Group's sustainability strategy
- Considered the progress of ESG initiatives on a quarterly basis
- Considered the Group's commitment and actions taken to engage employees and society throughout the COVID-19 pandemic
- Reviewed sustainability finance framework and initiatives
- Assessed sustainability risks and opportunities
- Enhanced its Terms of Reference
- Reviewed the Sustainability Report

Key responsibilities

- Oversee corporate responsibility and sustainability matters
- Review the Group's sustainability footprint, targets and commitments, and make recommendations to the Board

Meeting Schedule

The Sustainability Committee generally meets at least once a year. One meeting was held in 2021 to review and discuss sustainability matters. The Board Chairman and management members (including the Executive Director and Chief Operating Officer, Chief Financial Officer and Company Secretary, and General Manager, Corporate Communication) attend the meetings by invitation to present updates and answer relevant questions, and thus facilitate the Committee's decision-making process.

Roles and Authorities

The Sustainability Committee's main roles and authorities are to:

- Review and endorse the Group's corporate responsibility and sustainability plans, strategies, priorities, policies, practices and frameworks, and report to the Board;
- Review and evaluate the adequacy and effectiveness of the actions taken by the Group based on its corporate responsibility and sustainability plans, strategies, priorities, policies and frameworks, and recommend improvements;
- Review sustainability risks and opportunities, and report to the Board;
- Monitor and review existing and/or emerging issues, trends and investments related to the corporate responsibility and sustainability priorities of the Group;

SUSTAINABILITY COMMITTEE REPORT

- Monitor and review the Group's corporate responsibility and sustainability policies and practices to ensure they remain relevant and compliant with legal and regulatory requirements (including, but not limited to, the relevant Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide and the Listing Rules); and
- Review the annual corporate responsibility and sustainability report and relevant disclosures in the Company's annual report, and provide recommendations to the Board regarding their approval.

Activities

Details of the meeting held in February 2021 were set out in the 2020 Annual Report.

From March 2021 to February 2022, the Sustainability Committee held one meeting. Details of matters discussed in the meeting are given below.

The Sustainability Committee Over the Past 12 Months

May Quarterly Update	Sustainability Progress Update – Q1 2021
August Quarterly Update	Sustainability Progress Update – Q2 2021
November Quarterly Update	Sustainability Progress Update – Q3 2021
February 2022 meeting	Sustainability Progress Update – Q4 2021 Sustainability Report Annual review of adequacy of resources of ESG functions Annual review of ESG risks Committee Terms of Reference

Review the Group's Sustainability Strategies

The Committee reviewed the Group's sustainability strategies and objectives, considered the Group's action plan and identified potential related risks and challenges, as benchmarked against international standards and industry peers. It also identified material ESG-related issues.

Discuss ESG Overview and Initiatives

In terms of the Group's ESG activities and initiatives, the Committee:

- Reviewed the Group's engagement strategy on a regular basis to prepare for the future. Hysan has consistently engaged with the community in which it operates, since our community is core to the Group's heritage;
- Reviewed ESG measures taken to promote the sustainable development of the Group, including our response to the COVID-19 pandemic, highlighting our initiatives to ensure the safety and well-being of our employees and the community, and to take the lead in promoting COVID-19 vaccination among our stakeholders with the aim of having Lee Gardens become a "Fully-Vaccinated Community";
- Reviewed our sustainability finance framework and initiatives to support eligible green or social projects;
- Reviewed ESG-related sustainability efforts and achievements; and
- Identified short and long-term sustainability targets across the Group and reviewed their progress.

Sustainability Governance

Regarding sustainability governance, the Committee:

- Reviewed reports on the major ESG risks that are integrated into the Group's risk assessment process, including risks relating to the COVID-19 pandemic, ESG compliance and environmental management related to climate change, as well as corresponding mitigation measures. Details are set out in the Risk Management and Internal Control Report;
- Reviewed the framework for sustainability governance and confirmed its satisfaction with the adequacy of resources for ESG performance and reporting; and
- Reviewed its Terms of Reference to enhance the Group's sustainability governance structure.

More details are set out in the 2021 Sustainability Report.

Members of the Sustainability Committee

Jebsen Hans Michael B.B.S. (Chairman)
Fan Yan Hok Philip
Wong Ching Ying Belinda

Hong Kong, 24 February 2022