

**Hysan Development Company Limited**  
**Anti-Bribery and Corruption Policy**  
**(Last reviewed in November 2023)**

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## **1. Purpose**

Hysan strongly believes that conducting business with integrity, honesty, fairness, impartiality and ethical business practices is vital to the sustainable development of its business and pledges to promote a robust culture of compliance.

Hysan abides by the spirit of all anti-bribery and corruption laws and exercise ethics beyond the narrow sense of legal compliance.

Hysan strictly prohibits and does not tolerate any form of bribery or corruption. This Policy aims to set out the standard of behavior expected of Hysan's Directors, Employees and Third Parties working with or acting on behalf of the Group.

## **2. General Policy**

- 2.1 Hysan strictly complies with the Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong) and all applicable anti-bribery and corruption laws and regulations of all jurisdictions in which the Group operates.
- 2.2 This Policy complements and should be read in conjunction with Hysan's Code of Ethics, Anti-fraud Policy, Whistleblowing Policy, copies of which can be obtained from our website at [www.hysan.com.hk](http://www.hysan.com.hk) and the relevant policies and procedures which may be referred to in this Policy.
- 2.3 This Policy cannot provide definitive answers to every bribery-related question. Instead, this Policy aims to provide you with the tools to identify potential bribery and corruption issues. When these issues arise, immediately contact your direct supervisor for further guidance.

## **3. Who is covered by this Policy**

- 3.1 This Policy applies to all Directors, Employees and Third Parties providing services to or acting on behalf of the Group.
- 3.2 Directors, Employees and Third Parties are expected, as part of their normal duties, to do the following:
  - (a) familiarize themselves with this Policy and related policies and procedures and observe the same;
  - (b) participate in any relevant training provided by Hysan;
  - (c) immediately report any actual or suspected bribe, allegation of bribery made by a third party or breaches of policies and procedures which

come to their attention and cooperate fully with any investigation thereof; and

- (d) seek timely advice from your direct supervisor and/or the Legal Department/Internal Audit Department when in doubt or have any concerns or questions regarding this Policy or any bribery and corruption issues.

3.3 In this Policy, any reference to “**you**” means any person subject to this Policy.

#### **4. Who is responsible**

4.1 The Board continues to lead Hysan’s anti-bribery and corruption efforts and has overall responsibility for ensuring this Policy complies with Hysan’s legal and ethical obligations. The Board will provide the necessary leadership, resources and support for implementation of this Policy.

4.2 The management has primary and day-to-day responsibility for implementing and overseeing this Policy. Management is responsible for:

- (a) ensuring that those reporting to them are made aware of and understand this Policy and are given adequate and regular training;
- (b) the monitoring and investigation of any material fraudulent or bribery practices or activities committed within the Group;
- (c) establishing and maintaining effective risk management and internal control systems to prevent, monitor and eliminate corruption risk;
- (d) escalating and reporting to the Board any potential material violations and any material issues relating to corruption risk; and
- (e) regularly reporting on its implementation and matters arising thereunder to the Board, considering relevant developments and evolving international laws and industry standards.

#### **5. What is Bribery**

5.1 Bribery is the direct or indirect giving, promising, offering, receiving, agreeing to receive, requesting or accepting of any advantage or thing of value to or from any person in order to influence them corruptly or improperly in the exercise of their duty, or to be so influenced, or to secure or reward an improper benefit (“**Bribery**”). The advantage need not be financial and may include gifts, entertainment and hospitality, equity interest, offers of employment, airline tickets, accommodation, vouchers, sponsorship or favours.

5.2 Directors, Employees and Third Parties must not engage in Bribery in any form and must avoid any conduct that creates even the appearance of Bribery occurring.

5.3 Illustrations of (a) giving and (b) accepting bribes:-

- Offering the representative of a potential customer or a Public Official ticket to a prestigious racing event, in return for providing business or for granting a government project to Hysan.

- A consultant offers one of your family members a job, in return for you instructing the consultant on a Hysan project.

## **6. Penalties for Bribery**

- 6.1 Any form of bribery or corruption, money laundering and financing of terrorism, whether in Hong Kong or elsewhere, may arise criminal and civil penalties and cause serious reputational damage to Hysan and may severely damage Hysan's business.
- 6.2 Bribes offered by any person carrying out services for the Group to retain business (or an advantage in the conduct of business) for the Group may subject Hysan to risks of being regarded as having conducted that bribery, regardless of actual knowledge of the existence of the bribe.
- 6.3 Non-compliance with this Policy may lead to breach of criminal or civil laws and result in severe criminal or civil penalties which could include imprisonment of the individuals involved in, and responsible for, the Bribery. Any Employee acting in contravention of this Policy may also face disciplinary action including termination of employment with immediate effect without any compensation. Likewise, any breach of this Policy by the Third Parties could result in termination of their engagement.
- 6.4 The Board and the management shall be responsible for investigating allegations of Bribery and taking appropriate steps in response, such as the engagement of external consultants for any such investigations or referral to law enforcement agencies for serious breaches.

## **7. Risk Areas**

### **7.1 Facilitation Payments & Kickbacks**

- 7.1.1 Facilitation payments are unofficial payments demanded in return for speeding up or securing the performance of routine government actions, such as obtaining visas, permits or licenses, which are prohibited.
- 7.1.2 Kickbacks consist of anything of value, monetary or non-monetary, that is made in return for a business favour or advantage.
- 7.1.3 Facilitation payments and kickbacks are corrupt payments and it is Hysan's policy that they shall not be made or accepted.
- 7.1.4 You should avoid any activity that might lead to or any activity that may suggest that a facilitation payment or kickback will be made or accepted by Hysan.

## **7.2 Gifts and Hospitality & Acceptance of Advantages**

- 7.2.1 Hysan is committed to conducting all businesses fairly with no undue influence.
- 7.2.2 You 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.
- 7.2.3 You must not solicit or accept any form of advantages, personal benefits, gift or incommensurate entertainment if the acceptance could:
- (a) affect your objectivity or induce to act against the Company's interest;
  - (b) lead to questions or complaints of bias or impropriety; or
  - (c) make you feel obliged to return a favour in connection with any business dealings.
- 7.2.4 However, there will be occasions when business gifts and hospitality may be offered or accepted as business courtesies for relationship building. To avoid any possibility of compromising, or appearing to compromise, the objectivity of business decisions, you 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, in accordance with the following guidelines:
- (a) they must be reasonable and not excessive;
  - (b) they must be of modest value, both in isolation and when considered in the context of other gifts and hospitality offered;
  - (c) they must be appropriate, for legitimate business purposes and consistent with reasonable business practice;
  - (d) they must be provided with the intent only to build or maintain a business relationship but not to influence the recipient's objectivity in making a specific business decision;
  - (e) they should never be offered in return for financial or personal gain or favour; and
  - (f) they must be permissible under all applicable laws, rules and regulations.
- 7.2.5 When dealing with a Public Official, the level of hospitality and gifts offered must strictly adhere to the limits imposed by the local laws. When dealing with the private sector, gifts or hospitality should not exceed any limits imposed by the recipient's organisation.
- 7.2.6 You are encouraged to discuss with your direct supervisor when considering whether certain business courtesy is acceptable or legitimate.

7.2.7 You should also comply with the relevant approval and reporting procedures as set out in Hysan's Code of Ethics. Declaration of any gifts, hampers / red pockets (during festive seasons), entertainment or hospitality received shall be made in accordance with the procedure as more particularly set out in Hysan's Code of Ethics. Business gifts and entertainment expenses must also be processed through budget, approval, record keeping and documentation procedures in accordance with the relevant policies and procedures of the Group.

### **7.3 Engagement of Third Parties & Conflict of Interest**

7.3.1 The Group is committed to promoting anti-fraud and anti-bribery practices amongst any Third Party it engages. The prohibitions in this Policy apply to Third Parties engaged to represent the interests of the Group, a breach of which could result in the termination of their engagement.

7.3.2 We must ensure that we know all Third Parties whom we engage and that adequate due diligence checks have been carried out on these Third Parties.

7.3.3 To minimise the risk of Third Parties engaging in inappropriate conduct, Hysan should:

- (a) ensure that Third Parties are aware of and observe this Policy;
- (b) ensure that all fees and expenses paid to Third Parties are appropriate and justifiable remuneration, and commercially reasonable for the services provided by the Third Parties; and
- (c) keep accurate and complete financial records of all receipts and payments.

7.3.4 You should avoid any situation which may lead to an actual or perceived conflict of interest. A conflict of interest situation arises when your personal or financial interest (or those of your connections, such as family members, relatives, etc.) competes with or contravenes the interest of the Company. Should such situation arises, declaration shall be made in accordance with the procedure and requirements as more particularly set out in Hysan's Code of Ethic.

### **7.4 Donation and Sponsorship & Interaction with Public Officials**

7.4.1 Hysan supports a wide range of community causes as part of our commitment to corporate social responsibility. Donations and sponsorships shall only be made to charitable or other organizations subject to the Group's approval policy and procedure and compliance with all applicable laws and regulations. Proper records of such donations or sponsorships shall be kept for regulatory and internal compliance.

7.4.2 In the normal course of Hysan's business, meetings may be arranged with Public Officials. All such meetings must be held in an open and transparent manner to avoid any perception of corrupt behaviour being created.

- 7.4.3 As a general rule, Public Officials shall not be engaged to provide the Group with any services. Any engagement of any current or former Public Officials must be approved by the Board.

## **8 Communication and Training**

- 8.1 Hysan is to ensure that Directors, Employees and Third Parties are informed about and understand this Policy, including applicable procedures and requirements, and that there is a clear escalation procedure for reporting actual or suspected breaches of this Policy and suspicious activity.
- 8.2 This Policy is made available to all Directors, Employees and Third Party (whether in hard copy or online) and is posted on Hysan's website.
- 8.3 Adequate and mandatory regular training should be provided to Directors and Employees from time to time. The nature and frequency of the training will vary depending on the role of the individual and the likelihood that such person or entity will be exposed to corruption issues.
- 8.4 No Directors and/or Employees will suffer demotion, penalty, or other adverse consequences for refusing to pay bribes even if such refusal may result in Hysan losing business.

## **9 Books and Records**

- 9.1 Hysan maintains a strong financial and accounting control system, including detailed and accurate books and records, adequate segregation of duties, authorization and access controls etc. Such system is subject to regular review and audit.
- 9.2 Books and records include accounts, correspondence, invoices, memoranda, tapes, discs, papers, books and other documents or transcribed information of any type etc.
- 9.3 All receipts and expenditures must be supported by documents that describe them accurately and properly. The falsification of any books, records or accounts of any company within the Group is prohibited.

## **10. Reporting of Bribery and Suspicious Activities**

- 10.1 You have a duty to report any potential violations of this Policy and any person who become aware of any actual or suspected breach of this Policy must report such incidents in accordance with the reporting and escalation procedures established by Hysan. See also Hysan's Whistleblowing Policy which provides a mechanism to raise concerns on any suspected impropriety, misconduct or malpractice through confidential reporting channels.

- 10.2 You must cooperate fully and openly with any investigation into alleged or suspected corrupt activity or breach of this Policy. Failure to cooperate or to provide truthful information may also lead to the Employee being subject to disciplinary action, including dismissal.

## 11. Review of this Policy

The Board will review this Policy periodically to ensure its continued effectiveness.

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### Definitions:

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

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

“**Director(s)**” shall mean the director(s) of the Company.

“**Employee(s)**” shall mean any individual working at any level or grade, including but not limited to managers, officers, and management trainees, of the Group, whether full-time, part-time, temporary or contract.

“**Government Entity**” shall mean any government or any department, agency or instrumentality thereof (including any company or other entity controlled by a government), a political party or a public international organization.

“**Group**” shall mean the Company and its subsidiaries, and any business which is directly or indirectly wholly or majority owned, managed, or controlled by Hysan.

“**Public Officials**” shall mean an individual who: (i) performs public services in any Government Entity; or (ii) acting in an official capacity for a Government Entity or any candidate for political office, or (iii) performs public services according to law.

“**Third Party(ies)**” shall include anyone who at any time works with or performs (or who is intended to perform) services for or on behalf of Hysan, including anyone who is engaged (by contract or otherwise) or paid to represent Hysan including but not limited to suppliers, distributors, business contacts, agents, representatives, intermediaries, middlemen, introducers, sponsors, consultants, contractors and advisers.

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