

**Hysan Development Company Limited**  
**Corporate Disclosure Policy**  
**(Last reviewed in November 2023)**

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## **1. Objectives**

- 1.1 Hysan is committed to ensure timely, accurate, complete, and broadly disseminated disclosure of “inside information” about the Hysan Group (“**Group**”) to the market. As a responsible corporate in Hong Kong, Hysan strictly complies with the disclosure requirements as set out in the Securities and Futures Ordinance (“**SFO**”), the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the prevailing best practices.
- 1.2 This policy explains the Group’s general disclosure practices and provides guiding principles to assist employees in escalating up any potential inside information or transactions to those responsible to make timely decisions on disclosure, if necessary. Definitions and examples of “inside information” are set out in [Appendix 1](#).
- 1.3 There are separate policies on investor relationship and general corporate communications.

## **2. Scope**

This policy applies to all staff of the Group (“**employees**”).

## **3. Disclosure Committee (“Committee”)**

### **3.1 Purpose**

- 3.1.1 The Committee is responsible for assessing materiality and advising the Board on whether a transaction, development or event constitutes inside information.
- 3.1.2 The Committee shall promote consistent disclosure practices aiming at timely, accurate, complete, and broadly disseminated disclosure of inside information about the Group to the market in accordance with applicable laws and regulatory requirements.

### **3.2 Membership, Roles and Responsibilities**

The Committee consists of the following members:

- 3.2.1 **Chairman of the Board** as the chairman of the Committee;
- 3.2.2 **Chief Executive Officer (“CEO”)** is responsible for assessing materiality and leading the Committee to decide whether a transaction, development or event constitutes inside information;

- 3.2.3 **Chief Operating Officer (“COO”)** is responsible for ensuring that there is balanced and timely disclosure of any inside information, and providing critical insight into the likely operational performance of the Group affected by any inside information;
- 3.2.4 **Chief Financial Officer (“CFO”)** is responsible for monitoring any material changes in the Group’s financial performance which are required to be brought timely to the Committee’s and/or the Board’s attention. CFO shall oversee investor relationship;
- 3.2.5 **Company Secretary (“CS”)** is responsible for ensuring accurate and timely release of any inside information in accordance with the disclosure requirements under the applicable laws and regulations. CS shall oversee compliance (including liaising with the Securities and Futures Commission (“SFC”), the Hong Kong Stock Exchange (“SEHK”) and other relevant stock exchange and regulators); and
- 3.2.6 **Head of Corporate Communications (“HCC”)** is responsible for corporate communications and management of the media and public response. HCC shall coordinate closely with CFO and CS in the release of any inside information.

### 3.3 **Quorum**

The quorum is any three members, one of which shall include the Chairman of the Board.

### 3.4 **Meetings**

- 3.4.1 The Committee shall meet (including telephonically) at such times as shall be necessary or appropriate.
- 3.4.2 Any member of the Committee may call a meeting as appropriate.

## 4. **Before any Disclosure – Maintaining Confidentiality**

- 4.1 Before any inside information is fully disclosed to the public, Hysan should ensure that the information is kept strictly confidential.
- 4.2 **Directors and employees** who possess unpublished inside information must refrain from discussing that information with, or divulging that information to, any persons who are not authorised by the Board to receive that information; and ensure that any documents or other written materials in his/her possession in relation to that information are properly and securely stored and are not disclosed to any unauthorised persons.
- 4.3 Directors and employees shall procure any **external parties** who may become privy to any unpublished inside information be informed that they must not divulge such information to any unauthorised persons, other than in the normal course of business, without Hysan’s prior written consent and commit to non-disclosure of such information.

- 4.4 Where Hysan believes that the necessary degree of confidentiality cannot be preserved or that confidentiality may have been breached, it should immediately disclose the information to the public. If there are unexpected changes to the share price or if there are comments about Hysan in the media or other sources, this may indicate that confidentiality has been lost.

## 5. When and How Should Inside Information be Disclosed

### 5.1 Disclosure Procedures

- 5.1.1 (a) **All information**: Any **employee** who becomes aware of any transaction, development or event that he/she considers to be material or may constitute potential inside information shall report promptly to **his/her Department Head**, who will assess the circumstances and, if considered appropriate, escalate and report it to **relevant member(s) of the Committee**.
- (b) **Financial information**: If the **CFO** becomes aware that the general market projections of the **Group's financial performance** are **materially different** from the in-house estimates, he/she shall promptly notify the Committee and the Board of the differences, and the Committee and the Board may consider, when appropriate, issuing a **"warning" announcement**.
- (c) **Unintentional disclosure**: Any director or employee who becomes aware of the disclosure of any non-public inside information, shall alert CS immediately, who shall then immediately report the matter to the Committee.

5.1.2 Upon being notified, the **Committee shall call a meeting** to:

- 5.1.2.1 assess the materiality of the relevant transaction, development or event;
- 5.1.2.2 determine whether it constitutes inside information;
- 5.1.2.3 determine whether unintentional selective disclosure has occurred (if applicable); and
- 5.1.2.4 consider the appropriate course of actions to be taken, to ensure that any inside information is disclosed to the public as soon as reasonably practicable.

If considered appropriate, the Committee shall convene a **Board meeting** to consider such issues. The Committee may seek independent professional advice if and when appropriate.

- 5.1.3 When considering a disclosure, the Committee and/or the Board shall decide on the **scope of information** to be released and the timing of the release.

- 5.1.3.1 If the matter is being developed, such as, when negotiations are at a stage that makes it impossible to be more forthcoming and more precise details could only be released at a later stage, or if Hysan needs time to clarify the details of, and the impact arising from, the relevant transaction, development or event, the Committee and/or the Board may decide to issue a **“holding” announcement**, which details as much of the subject matter as possible, and sets out reasons why a fuller announcement cannot be made.
- 5.1.3.2 Full disclosure and announcement shall then be made as soon as appropriate.
- 5.1.4 Where the necessary announcements cannot be made promptly, Hysan may need to apply for a **trading halt or suspension** in the trading of its shares.
- 5.1.5 If a matter, development or event, after assessment, is considered **not** inside information, the Committee may consider, if and when appropriate, informing the market in order to facilitate stakeholders’ understanding of the Group’s ongoing developments. The information may be released in the form of **news release**, or through other communication channels, such as **corporate publications or presentations**.

## 6. Speaking for the Group

### 6.1 Designated Spokespersons

- 6.1.1 To minimise risks of unauthorised and/or inconsistent disclosure, only designated persons are authorised to discuss the Group’s corporate matters to investors, analysts, the media or other members of the public. The Group’s current spokespersons are as follows:
  - 6.1.1.1 **Chairman of the Board;**
  - 6.1.1.2 **CEO;**
  - 6.1.1.3 **COO;**
  - 6.1.1.4 **CFO** is responsible for coordinating all communications in respect of the Group’s financial information (including with investors, analysts and other members of the investment community);
  - 6.1.1.5 **CS** is responsible for coordinating all communications with regulators in respect of matters relating to Hysan as a listed issuer;

6.1.1.6 **HCC** is responsible for coordinating all communications with reporters, journalists and other media; and

6.1.1.7 Such other officers as may be designated by CFO for investor relationship; or by HCC for general corporate communications; or authorised personnel under the relevant policies (one of which is the “**Spokesperson Policy**”).

6.1.2 All designated spokespersons have access to CS for compliance consultation.

6.1.3 Directors and employees who receive enquiries from the investment community should refer the enquiry to CFO; from regulators should refer to CS; and from the media should refer to HCC.

## 6.2 **Coordination between Investor Relations and Corporate Communications**

6.2.1 CFO and HCC should liaise with each other on matters of mutual interest or responsibilities. Presentation materials should be reviewed by the Committee before they are released at analysts’ or media briefings.

6.2.2 Appropriate record of briefings and discussions with analysts or the media should be kept to check whether any inside information has been inadvertently disclosed.

## 7. **Dealing and Communications Restrictions**

### 7.1 **Not to deal in Hysan’s Securities**

7.1.1 **Directors and employees** must **not** deal in Hysan’s securities when they are in possession of any unpublished inside information. Restrictions on trading of Hysan’s securities by Directors or employees are set out in the “**Code For Securities Dealing By Directors**” and/or “**Code For Securities Dealing By Restricted Employees**” of Hysan. They are deemed to be incorporated into this Policy by reference.

### 7.2 **Black Out Periods**

7.2.1 In addition, during any “**black out period**” as prescribed by the Listing Rules from time to time (see [Appendix 3](#) for current requirement), **Directors and employees** must **not** deal in Hysan’s securities, and there shall be no communication with analysts, investors, market professionals or the media regarding Hysan’s financial performance or business. Communication is only allowed where:

- 7.2.1.1 it has been determined by the Committee that disclosure is appropriate; in which case, disclosure will be made in accordance with Hysan's applicable disclosure policy; or
- 7.2.1.2 the communications are limited to responding to enquiries about publicly available or non-inside information.

## **8. How to Monitor – Control Activities**

- 8.1 The Committee shall ensure that the Group maintains appropriate and effective systems and procedures to ensure that any inside information or potential inside information which comes to the knowledge of its officers be promptly identified, assessed and escalated for the attention of the Committee (and the Board as and when appropriate) to make timely decisions on disclosure, if necessary.
- 8.2 Control measures include:
  - 8.2.1 Periodic financial reporting procedures are in place so that key financial and operating data are identified and escalated to senior management, the Committee and/or the Board in a structured and timely manner.
  - 8.2.2 The consideration of the existence of inside information should constitute a regular agenda item of senior management meetings.
  - 8.2.3 Appropriate training should be provided to employees who are likely to be in possession of inside information.
  - 8.2.4 Appropriate confidentiality agreements should be in place when the Group enters into negotiations relating to significant transactions.
  - 8.2.5 Appropriate records should be kept for discussions regarding the assessment of inside information.
  - 8.2.6 Access to potential inside information including that relating to specific projects should be restricted to a limited number of employees on a need-to-know basis. "Insider" lists and "project lists" shall be kept. These lists shall be periodically reviewed.

## **9. Approval and Review of this Policy**

This Policy has been approved by the Board. Any subsequent amendment of this Policy shall be reviewed by the Committee and approved by the Board.

## Appendix 1

### Inside Information

#### 1. Definition of Inside Information

Under the SFO, “inside information”, in relation to a listed corporation, means information that:

- (a) is **specific** about:
  - (i) the corporate;
  - (ii) a shareholder or officer of the corporation; or
  - (iii) the listed securities of the corporation or their derivatives;and
- (b) is **not generally known** to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be **likely** to **materially** affect the **price** of the listed securities.

The definition of **inside information** is the same as that of “relevant information” used in section 245 of the SFO which applies to insider dealing.

The determination that inside information exists and must be disclosed or kept strictly confidential is a complex **business** and **legal** judgment, dependent on prevailing market conditions and the potential financial, operational and overall impact of the information on Hysan.

#### 2. Examples of Inside Information

There are many events and circumstances which may affect the price of the listed securities of Hysan. It is vital for Hysan to make a prompt assessment of the likely impact of these events and circumstances on its share price and decide consciously whether the event or the set of circumstances constitutes inside information that needs to be disclosed. The following are common examples of such events or circumstances where Hysan should consider whether a disclosure obligation arises:

- Changes in performance, or the expectation of the performance, of the business;
- Changes in financial condition, e.g. cashflow crisis, credit crunch;
- Changes in directors;
- Share dealings by directors;
- Annual/interim results;
- Changes in information previously disclosed to the market;
- Profit warning;
- Changes in auditors or any other information related to the auditors’ activity;

- Changes in the share capital, e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction;
- Take-overs and mergers (the Takeovers Codes also need to be complied with, including specific disclosure obligations);
- Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities;
- Purchase or disposal of equity interests or other major assets or business operations;
- Formation of a joint venture;
- Decisions concerning buy-back programmes or transactions in other listed financial instruments;
- Legal disputes and proceedings;
- Reduction of real properties' values;
- Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps;
- Changes in the accounting policy; and
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy.

### 3. Legal Requirements for Disclosure of Inside Information

#### 3.1 The SFO

##### 3.1.1 When to Disclose

Hysan must, **as soon as reasonably practicable** after any inside information has come to its knowledge, disclose the information to the public **unless** the information falls within any of the “**safe harbours**” provisions under the SFO and satisfy the conditions (see paragraph 3.1.2 below). For this purpose, inside information has come to the knowledge of a listed issuer if:

- (a) **information has**, or **ought reasonably to have**, come to the **knowledge of an officer** of the corporation in the course of performing functions as an officer of the corporation; and
- (b) a **reasonable person**, acting as an officer of the corporation, would consider that the information is inside information in relation to the corporation.

Please refer to [Appendix 2](#) for details on who constitutes Hysan's “officers”.



### 3.1.2 No Immediate Disclosure: “Safe Harbour” Provisions

Under section 307D of the SFO, Hysan is not required to immediately publicly disclose otherwise discloseable inside information if:

- (a) the disclosure is prohibited under, or would constitute a breach of a court order or an enactment;
- (b) the information concerns an incomplete proposal or negotiation;
- (c) the information is a trade secret;
- (d) the information relates to the provision of liquidity support from the Exchange Fund, or an institution which performs the functions of a central bank to the Group;
- (e) a specific waiver is granted by the SFC as it is satisfied that the disclosure is prohibited under or would contravene foreign legislation, a foreign court order, or would contravene a restriction imposed by a foreign law enforcement agency or a foreign government authority.

Sub-paragraphs (b) to (e) above are available only if Hysan has taken reasonable precautions to preserve the confidentiality of the inside information and confidentiality is in fact preserved.

### 3.1.3 Who is Responsible

SFO imposes liability on **Hysan** as well as its “**officers**” for failure to disclose inside information.

## 3.2 The Listing Rules

Hysan is obliged to **prevent the creation of false market** in its securities (as evidenced by unusual price movement in its securities). In this connection, Hysan is required to make relevant disclosures under the Listing Rules:

- where Hysan is required to **disclose inside information** under the **SFO**;
- where **in the view of SEHK**, there is or there is **likely** to be a **false market** in Hysan’s securities, Hysan must, as soon as reasonably practicable after consultation with SEHK, announce the information necessary to avoid a false market in its securities; and/or

- if **Hysan believes** that there is **likely** to be a **false market** in its listed securities, it must contact SEHK as soon as reasonably practicable.

#### 4. **Dealing with Media Speculation, Market Rumours and Analysts' Reports**

Hysan is generally under no obligation to respond to media speculation, market rumours or analysts' reports.

- (a) However, if Hysan **has inside information** and **relies on a safe harbour** to withhold disclosure subject to the preservation of confidentiality, the existence of media speculation, market rumours or analysts' reports about Hysan might **indicate that matters intended to be kept confidential have leaked**. In particular, where **media speculation, market rumours or analysts' reports** are **largely accurate** and the information underlying the speculation, rumours or reports constitutes inside information. Thus, such circumstances are **likely to require** Hysan to issue **an immediate announcement**.
- (b) If Hysan **does not have inside information** but **media reports** or market rumours carry **false or untrue information**, Hysan is **not obliged** to make further **disclosure** under the SFO.
- (c) **Hysan shall ensure that no inside information is given when answering an analyst's questions or reviewing an analyst's draft report**. It is inappropriate for a question to be answered, or draft report corrected, if doing so involves providing inside information.
- (d) If Hysan **does not have inside information** but an **analyst's report contains errors or misinterpretations**, Hysan is **not obliged to make a correction** or clarification under the SFO. It may nevertheless be appropriate, as a matter of **good practice**, for Hysan to clarify historical information and correct any factual errors in the analyst's assumptions which are significant to the extent that they may mislead the market, provided any clarification is confined to drawing the analyst's attention to **information** that has already been made **available to the market**.

**No analyst, investor or journalist should receive a selective release of inside information.**

## Appendix 2

### Responsibility for Compliance and Management Controls

#### Part A – Provisions under the SFO

Section 307G of the SFO states that –

- “(1) *Every officer of a listed corporation must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the corporation.*
- (2) *If a listed corporation is in breach of a disclosure requirement, an officer of the corporation –*
- (a) *whose intentional, reckless or negligent conduct has resulted in the breach; or*
  - (b) *who has not taken all reasonable measures from time to time to ensure that proper safeguards exist to prevent the breach,*
- is also in breach of the disclosure requirement.”*

#### Part B – Hysan’s “Officers” (as of February 2019; as the same may be updated from time to time)

- Under the SFO, “officers” include an issuer’s director, secretary or anyone “charged with management responsibility affecting the whole of the issuer or a substantial part of it”.
- Hysan’s officers comprise of all Board members (Non-Executive and Executive Directors), CEO, COO, CFO and CS.

### Appendix 3

#### “Black Out Period”

A director / restricted employee must not deal in any securities of Hysan on any day on which its financial results are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.