

**Hysan Development Company Limited**  
**Code of Corporate Governance**  
(Last updated and approved in February 2026)

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## **GENERAL**

The Board has adopted this Code, which reflect the Company's commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of the Group as required under applicable laws and regulations, making good governance integral to our corporate culture.

The Board will review this Code regularly, or more often if warranted, and recommend such changes as it determines necessary and appropriate in light of the Company's needs, and legal and regulatory developments.

## **THE MISSION OF THE BOARD OF DIRECTORS**

The Board represents Shareholders' interest in maintaining and growing a successful business including optimising sustainable long-term financial returns. Governed by the Board of Directors Mandate, the Board is responsible for the stewardship of the Company and for ensuring that the Group is managed in such a way to achieve this objective.

The Board's responsibilities are, first, to formulate our strategy and ensure its alignment with our corporate culture and values; and, second, to monitor and control operating and financial performance while maintaining appropriate systems of corporate governance, risk management and internal control in pursuit of Group strategic objectives.

## **CORPORATE CULTURE**

The Board sets the tone and defines the vision, mission, values, and strategy of the Company, fostering a corporate culture that supports the Company's pursuit of success. The Board is also responsible for evaluating and ensuring alignment between the desired culture and the Group's purpose, values and strategy.

The Board will continue to foster the desired culture, instilling the Group's core values across all levels of the Group.

## **GUIDELINES ON IMPORTANT GOVERNANCE ISSUES**

### **Board Appointment**

#### **1. Composition of the Board**

The Board will on a regular basis review its structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, ethnicity and length of service) as well as the skills and experience of its members. This review will also assess their complementarity and the characteristics required of both executive and non-executive members of the Board in the context of the business and its strategies.

#### **2. Appointment procedures**

The Board as a whole is responsible for the procedure of appointing its own members and nominating them for election by the Shareholders on first appointment and thereafter at regular intervals by rotation, in accordance with the Company's Board Diversity Policy and Nomination Policy. A Nomination Committee has been established to identify, evaluate and nominate candidates for the Board's approval.

Directors should devote sufficient time and attention to Board matters. The Board regularly reviews the time commitment and contribution required from a Director and his/her ability to discharge his/her responsibilities effectively.

All Directors will be engaged through formal letters of appointment, which will clearly outline the key terms and conditions of their appointment.

#### **3. Induction of new Directors**

On appointment, new Directors will be given a comprehensive introduction to the Group's corporate culture, businesses and operations, performance, strategic plans, financial and capital management, legal and risk management issues, compliance programs, and corporate governance, with due regard to the Director's unique background, experience and skills. New Directors will also have meetings with the Directors, senior management and external advisors. Portfolio visits and briefings on specific topics, including Directors' responsibilities, will also be arranged.

#### **4. Board leadership**

The roles of Chairman and Chief Executive Officer are currently separate. The Board supports the principle of Board independence from management and any major shareholder group, and continually reviews the implementation of this principle. The Board has developed written roles and responsibilities for Non-Executive Directors and Independent Non-Executive Directors, which will be reviewed on a regular basis by the Board.

### **Board Composition and Size**

#### **5. Size and Composition of the Board**

The Board regularly reviews the size and composition of the Board to ensure the facilitation of effective decision-making and the existence of a reasonable balance between Executive Directors, Non-Executive Directors and Independent Non-Executive Directors.

#### **6. Director independence**

The Board believes that independence is a matter of judgement and conscience but that, to be independent, Independent Non-Executive Directors should be free from any business or other relationship which might interfere with the exercise of their independent judgement. The Board carried out a detailed review of the Directors' independence on a case-by-case basis annually. Directors who are considered independent will be identified as such in the Company's Annual Report and other communications with Shareholders.

#### **7. Diversity**

The Board believes that balance of experience, competencies, expertise, diversity and skills on the Board is the key foundation for introducing different perspectives into Board discussions, and for better anticipating the risks and opportunities in building a long-term sustainable business.

Diversity of background, (including but not limited to gender, age, cultural and educational background, ethnicity) skills, expertise and experience will be considered on nomination, appointment, and reappointment of Directors in accordance with the Board Diversity Policy. The Board and the Nomination Committee shall also consider diversity perspectives as more particularly set out in the Board Diversity Policy in its annual review on Board composition and as part of the annual evaluation of performance and effectiveness of the Board.

## 8. Term limits

All Directors are subject to periodic re-appointment by the Shareholders through rotation in general meetings.

## Board Authorities & Delegations and Processes

### 9. Board authorities, delegations and discretions

The Board has determined those matters which are retained for full Board's decision and those matters which are delegated to the executive management of the business. A Schedule of Corporate Matters Reserved for the Board (the "Schedule") has been adopted to set out the specific matters reserved for the board's decision and approval.

### 10. Board Committees

The Board carries out its responsibilities directly and through its Board Committees comprising a majority of Independent Non-Executive Directors appointed by the Board. Each Board Committees operates under specific written terms of reference, as approved and regularly reviewed by the Board, and reports to the Board on their decisions and recommendations on a regular basis.

The Audit and Risk Management Committee will review the financial accounts and policies and oversee internal controls, risk management and compliance.

The Remuneration Committee will determine the pay and other benefits of the Executive Directors and review the fees and remuneration of the Non-Executive Directors and Independent Non-Executive Directors.

The Nomination Committee will review the structure, size, composition and diversity of the Board and nominate candidates for Board appointment.

The Sustainability Committee will review and oversee the Group's corporate social responsibility and sustainability development and policies (including any climate-related policies).

## **11. Corporate Governance Functions of the Board**

As one of the corporate matters reserved to the Board under the Schedule, the Board is responsible for overseeing the corporate governance of the Company, and promoting the highest standards of corporate governance and best practices. The corporate governance duties of the Board are as follows:

- 11.1. to develop and review the Company's policies and practices on corporate governance;
- 11.2. to continually enhance the Company's corporate governance practices;
- 11.3. to review and monitor the training and continuous professional development of directors and senior management;
- 11.4. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- 11.5. to develop, review and monitor the Code of Ethics and compliance policies (including the Anti-Bribery and Corruption Policy, the Anti-Fraud Policy, Corporate Disclosure Policy and Tax Governance Policy) applicable to employees and Directors; and
- 11.6. to review the Company's compliance with the Corporate Governance Code of The Stock Exchange of Hong Kong Limited and disclosure in the Corporate Governance Report.

## **12. Meeting procedures**

The Board and committee meetings are scheduled in advance at appropriate intervals throughout the year.

The Chairman, together with the Chief Executive Officer, will establish the agenda for each Board meeting and distribute the agenda in advance to each Director. Other Directors may request inclusion of items on the agenda.

The necessary papers for meetings will be distributed in advance of the meeting. Materials presented to the Board and committee members should provide the information needed for the Directors to make informed judgments and/or engage in informed discussion.

Board and Board Committee meetings would be organised in a productive and participative manner, allowing sufficient time for open and constructive discussions of relevant issues.

**13. Board compensation review**

The pay and benefits of the Executive Directors is determined by the Remuneration Committee, a committee comprised of a majority of Independent Non-Executive Directors. The fees and remuneration of Non-Executive Directors and Independent Non-Executive Directors are determined at the Annual General Meeting. The remuneration of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors will be the subject of continual monitoring of and benchmarking against the remuneration offered by comparable companies. The assistance of independent external advisers will be sought from time to time.

**14. Training and continuous professional development**

All Directors should regularly update and refresh their skills and knowledge, with training support from the Company Secretary, to help ensure that their contribution to the Board remains informed and relevant.

**15. Mechanisms to ensure independent views and input**

The Board is committed to ensuring that Directors will be given the opportunities and channels for them to communicate and express their independent views and inputs to the Board and its Board Committees in an open and candid manner, and, where necessary, in a confidential manner.

Apart from (i) the Independent Non-Executive Directors nomination and appointment process; (ii) annual assessment of Independent Non-Executive Directors on their independence, time-commitment and contribution; (iii) balance of the Board in terms of independence ratio as part of the Nomination Committee's annual review of the structure and composition of the Board; (iv) proper meeting arrangement and procedures to facilitate open and constructive discussion; (v) board culture to encourage Directors with different views to raise their concerns, to discuss and to deliberate; and (vi) annual board evaluation, the Company has also established channels through formal and informal means whereby Directors can express their views in an open and candid manner including the followings :

**15.1. Board access to senior management**

Senior management is, from time to time, brought into formal and informal contact at Board meetings and other events. The Board has full

access to all information it deems appropriate for the purposes of fulfilling its role.

#### 15.2. Communications beyond the Boardroom

In addition to the regular board meetings, dedicated meeting sessions with the Chairman and/or amongst the Non-Executive Directors and Independent Non-Executive Directors with senior management and other Board members including the Chairman outside the boardroom would be held regularly.

Independent Non-Executive Directors and Non-Executive Directors, as equal directors, would also attend general meetings to gain and develop a balanced understanding of the views of Shareholders.

#### 15.3. Board access to independent professional advice

The Board, Board Committees or individual Directors may seek such independent professional advice as considered necessary to fulfil their responsibilities and in exercising independent judgment when making decisions in furtherance of their Directors' duties at the Company's expense.

Independent professional advice shall include legal advice and advice of accountants and other professional financial advisers on matters of law, accounting and other regulatory matters.

Any advice obtained may be made available to other members of the Board.

#### 15.4. Availability of information

The Chairman has a clear responsibility to provide the Board with all the information that is relevant to the discharge of the Board's responsibilities. Management reports and updates on the key events, material transactions and business outlook and the Group's financials would be provided regularly to the Board via digital board portal. The Board would also receive timely advice on all material information about the activities, performance and projects of the Group, particularly including any significant variances from a planned course of action.

The Company utilises a digital board portal for Directors, which is used to distribute information and to foster communication among Directors and between Directors and senior management in a sustainable manner.

## **16. Board Performance Review**

The Board will on a regular basis evaluate its own performance and that of its committees to determine whether it and its committees are functioning effectively at least every two years. In this respect, the focus of the board performance review shall be on the overall performance of the Board and its committees and the existing skills, expertise and qualifications of the Board and its committees as a whole. The board performance review shall enable an evaluation of the overall effectiveness and efficiency of the Board and its committees, as well as identification of the strengths and weaknesses / gaps of the Board and its committees.

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### **Definitions:**

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

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

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

“**Shareholder(s)**” shall mean the shareholder(s) of the Company.

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

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