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Corporate Governance

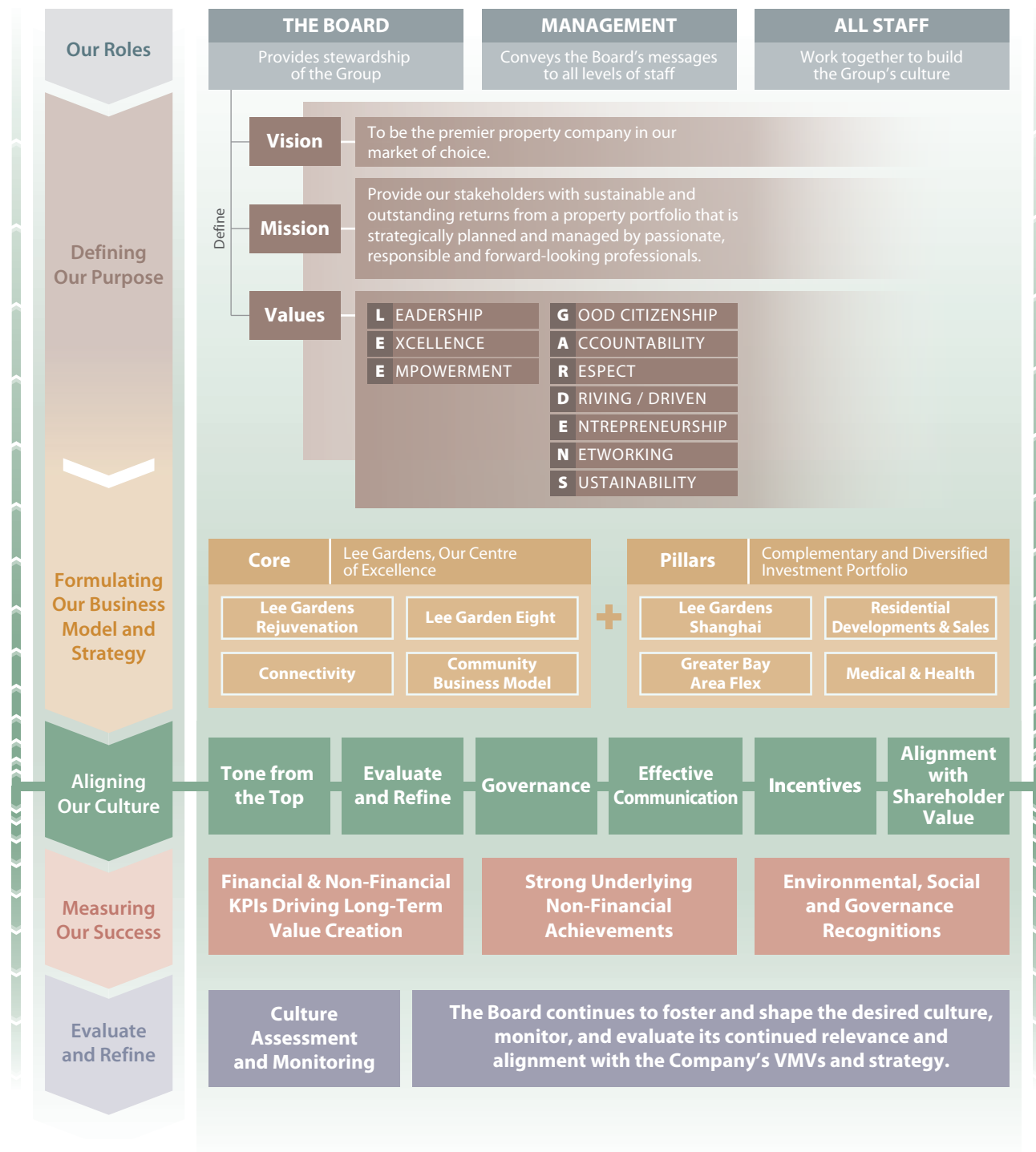
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Corporate Governance Report

Our Corporate Culture Framework

LEGACY BEYOND HISTORY

Hysan's roots run deep in Causeway Bay, a place that, over the past century, has transformed into one of the world's most vibrant retail and commercial hubs. The transformation reflects our founder Mr. Lee Hysan's enterprising vision of curating a place for relaxation and recreation. Over the years, Lee Gardens has become a dynamic destination with a strong community vibe, staying true to our founder's goal of fostering social and communal connections. This legacy endures, built on a solid foundation of trust, shared values, culture and unity, guiding Lee Gardens' transformation into what it is today.



Our Roles	<p>The Board</p> <p>Provides stewardship of the Group. Defines our Vision, Mission, Values (“VMVs”) and strategy and ensures their alignment with our corporate culture. Sets the tone from the top, leads by example and influences change. Ensures the effectiveness and adequacy of the corporate governance system.</p> <p>Management</p> <p>Conveys the Board’s messages to all levels of staff and fosters the desired culture through effective engagement and clear communication of the Group’s strategy, business developments and expected behaviours.</p> <p>All Staff</p> <p>Work together to build the Group’s culture. Act with integrity, be responsible and honest. Be open to giving feedback and contribute to the continual refinement of the Group’s culture.</p>																														
Defining Our Purpose	<p>Hysan’s corporate culture is the way we express and implement our values. As a business rooted in Hong Kong for more than a century, we strive to achieve the highest standards in Citizenship, Leadership, Sustainability and Accountability through strong teamwork and effective governance.</p> <p>We excel in the areas where we operate and create unique values that mutually benefit the Company and our stakeholders, including the communities we serve.</p> <p>Vision</p> <p>To be the premier property company in our market of choice.</p> <p>Mission</p> <p>Provide our stakeholders with sustainable and outstanding returns from a property portfolio that is strategically planned and managed by passionate, responsible and forward-looking professionals.</p> <p>Values</p> <table border="1" data-bbox="370 1294 1455 1803"> <tr> <td>L</td> <td>eadership</td> <td>• Take Initiative, Challenge Conventional Wisdom, Think Independently.</td> </tr> <tr> <td>E</td> <td>xcellence</td> <td>• Aim to be the Best, Excel in What We Do.</td> </tr> <tr> <td>E</td> <td>mpowerment</td> <td>• To Empower & Be Empowered.</td> </tr> <tr> <td>G</td> <td>ood Citizenship</td> <td>• High Integrity, Be Honest and Open, Give Back to the Community.</td> </tr> <tr> <td>A</td> <td>ccountability</td> <td>• Understand Roles and Responsibilities, Keep Promises and Deliver, Be Responsible for your Actions and Inactions, Transparency.</td> </tr> <tr> <td>R</td> <td>espect</td> <td>• Show Respect, Earn Respect.</td> </tr> <tr> <td>D</td> <td>riving / Driven</td> <td>• Be a High Achiever, Do Not Accept Complacency, Meet and Exceed Expectations.</td> </tr> <tr> <td>E</td> <td>ntrepreneurship</td> <td>• Seek New Opportunities, Take Action.</td> </tr> <tr> <td>N</td> <td>etworking</td> <td>• Break Silos, Help Each Other, Share Information, Knowledge and Time, Build Internal and External Networks.</td> </tr> <tr> <td>S</td> <td>ustainability</td> <td>• Think Long-Term. • Preserve and Reuse Resources, Continuous Delivery of High Quality Services.</td> </tr> </table>	L	eadership	• Take Initiative, Challenge Conventional Wisdom, Think Independently.	E	xcellence	• Aim to be the Best, Excel in What We Do.	E	mpowerment	• To Empower & Be Empowered.	G	ood Citizenship	• High Integrity, Be Honest and Open, Give Back to the Community.	A	ccountability	• Understand Roles and Responsibilities, Keep Promises and Deliver, Be Responsible for your Actions and Inactions, Transparency.	R	espect	• Show Respect, Earn Respect.	D	riving / Driven	• Be a High Achiever, Do Not Accept Complacency, Meet and Exceed Expectations.	E	ntrepreneurship	• Seek New Opportunities, Take Action.	N	etworking	• Break Silos, Help Each Other, Share Information, Knowledge and Time, Build Internal and External Networks.	S	ustainability	• Think Long-Term. • Preserve and Reuse Resources, Continuous Delivery of High Quality Services.
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Formulating Our Business Model and Strategy

Hysan's vision to be the premier property company in Hong Kong is embodied in our distinctive approach to Lee Gardens – cultivating it as an organically connected community, rather than a collection of individual properties. For over a century, we have thoughtfully woven our buildings into the fabric of Causeway Bay, curating a cohesive neighbourhood identity that resonates with residents, businesses and visitors alike.

At the heart of our approach is our Community Business Model, which brings our legacy values of good citizenship and networking to life through thoughtful spatial integration, curated offerings and vibrant community events. This neighbourhood-centric philosophy delivers a unique social value proposition – where sustainability and excellence extend beyond individual structures to enrich the collective community experience. By emphasising the important social element of Environmental, Social and Governance (“ESG”) principles, our model cultivates meaningful connections and mutual respect that strengthen community bonds and create a sense of belonging throughout Lee Gardens.

Our Core and Pillar Strategy focuses on the continued rejuvenation and expansion of our “Core” in Lee Gardens while making strategic investments in growth “Pillars” that complement and strengthen our overall portfolio. This holistic approach is championed by our passionate, accountable, and forward-looking management team, who balance stewardship with innovation. Through this strategic framework, we consistently deliver sustainable returns to stakeholders while creating long-term value for the community through enhanced urban experiences, economic vitality, and cultural enrichment.

Core: Lee Gardens, Our Centre of Excellence

- **Lee Gardens Rejuvenation** – Transformation solidifying Lee Gardens' position as home of luxury and Hysan Place as a trendsetter, now entering the harvest phase with financial returns since 2024.
- **Lee Garden Eight** – Strategic expansion of our core portfolio by approximately 30% in area, featuring cutting-edge sustainability features, performing art facilities, and 60,000 sq.ft. green open space. Set for completion in 2026.
- **Connectivity** – Integrated pedestrian walkway system offering a pleasant, weatherproof journey connecting Causeway Bay MTR station and the Lee Gardens buildings in 8 minutes. Set for completion in 2026.
- **Community Business Model** – Through curating sustainable and resilient communities, we drive meaningful impact across inclusivity, economic vitality, social well-being, climate resilience, and enhanced liveability. Our community-centric approach focuses on creating vibrant spaces where people connect, businesses thrive, and neighbourhoods evolve sustainably in response to changing needs. Further details are set out in the Group's Sustainability Report 2025.

Pillars: Complementary and Diversified Investment Portfolio

- **Lee Gardens Shanghai**
Brings our signature community business model to one of the most populous cities in the Chinese Mainland, extending our successful placemaking approach beyond Hong Kong.
- **Residential Developments & Sales – VILLA LUCCA & To Kwa Wan Residential Project**
Establishes quality residential development projects to broaden our income sources.
- **Greater Bay Area Flex – Joint Venture with IWG**
Extends beyond traditional leasing into the flexible workspace sector. With 47 centres across the Greater Bay Area, we leverage a wide geographical footprint while meeting evolving workplace demands.
- **Medical & Health – New Frontier Group**
Provides strategic exposure for the Group to the Chinese Mainland's fast-growing healthcare sector and capitalises on the rising demand for premium healthcare services.

Aligning Our Culture

Tone from the Top

The Board adopted a Corporate Culture Statement in 2022 to codify Hysan's established culture for better alignment with our VMVs and strategy. The Board reviews the Corporate Culture Statement regularly to ensure its continued relevance as the Group's strategy and business model evolve. The Board considered, and was satisfied, that Hysan's VMVs and strategy remain aligned with its corporate culture.

Evaluate and Refine

The Board will continue to review and shape our desired corporate culture, maintain visibility and insight into culture initiatives, and instil Hysan's core values across all levels of the Group.

Governance and Integrity Management

Hysan believes that embracing strong governance is the foundation for delivering its strategic objective of consistent and sustainable performance over the long term. At the heart of Hysan's governance structure is an effective Board and management team, who are committed to reinforcing Hysan's well-established VMVs and deeply engrained corporate governance tradition.

We exercise ethics beyond the narrow sense of legal compliance and are committed to embedding risk management and internal control into our corporate culture. Maintaining high standards of integrity, ethical conduct and accountability is a core feature of our governance framework, with policies and controls in place to prevent, detect and respond to misconduct and corruption.

Our Code of Ethics and key Group policies – including the Anti-Bribery and Corruption Policy, Anti-Fraud Policy, Whistleblowing Policy and Policy of Compliance – form a comprehensive compliance framework. The Code of Ethics sets out our values, standards and key procedures to maintain accountability and integrity, while the Whistleblowing Policy provides secure and confidential reporting channels with independent handling, whistleblower protection and clear investigation procedures. Policies are reviewed periodically to ensure continued effectiveness and alignment with regulatory and governance expectations.

We recognise that strong governance depends on both robust systems and a culture of integrity, and therefore adopt a systematic approach to integrity capacity building. All employees receive regular mandatory training in integrity, anti-corruption and key legal and compliance topics. These initiatives strengthen ethical decision-making, promote transparency and accountability, and help ensure that our employees can identify potential red flags and raise concerns through appropriate channels.

No regulatory breaches or confirmed cases of misconduct, malpractice or irregularity were reported in 2025.

Aligning Our Culture (continued)

Effective Communication

New joiners are introduced to Hysan's traditions, corporate culture and VMVs during the on-boarding orientation on their first day with Hysan. To build essential capabilities and reinforce our core values across the Company, our staff also receive regular training in a broad range of topics through the Hysan Academy, our e-learning platform, covering leadership, personal capabilities, industry knowledge, and compliance. We also host the Hysan Forum regularly to share Hysan's strategy, business developments and initiatives.

Promoting a culture of open communication and proactive engagement among Hysan staff, Hysan Pulse – our staff engagement platform, is an interactive platform where corporate policies, company news, promotions and staff events are disseminated. It serves as the key day-to-day channel through which our core values are communicated, understood and embraced. "Likes" and "Comments" from our employees help the Company understand their views and concerns. Further details on talent development and training are set out in our Sustainability Report 2025.

Employee feedback is collected regularly through formal and informal channels, including performance review meetings, exit interviews and day-to-day conversations, with a view to developing initiatives and programmes that enrich our working environment and fuel the Company's growth.

In 2023, we produced an animated video about our VMVs together with a series of training videos on behaviours that exemplify Hysan's core values.

Incentives

Performance management is an important process that allows management to share the Group's VMVs and strategy with employees on a regular basis and promote our desired culture, values and behaviours.

Cultural elements have long been a component of Hysan's performance measurement with substantial weight given to behavioural performance in areas, such as Leadership, Professionalism, Teamwork and Resourcefulness.

Hysan's remuneration policy is designed to incentivise an appropriate balance between business performance and long-term sustainable growth. It incorporates both quantitative and qualitative performance assessments, including financial and operational targets as well as behavioural competencies that reflect the Group's long-term strategy, culture and core values.

Alignment with Shareholder Value

In alignment and reinforcement of the Group's corporate culture, a share award plan was adopted in 2024. The share award plan aims to (i) attract and retain critical talent and drive long-term commitment to the Group; (ii) ensure performance and promote a culture of excellence; and (iii) instil a culture of accountability, engagement and a sense of ownership by aligning compensation with long-term Company success.

Measuring Our Success

Financial & Non-Financial KPIs Driving Long-Term Value Creation

Financial Achievements:	HK\$3,464 million
	Turnover
	HK\$1,918 million
	Recurring Underlying Profit
	HK\$2,510 million
	Underlying Profit
	HK108 cents
	Dividend per Share

Strong Underlying Non-Financial Achievements:

Category	2025 Non-financial Achievements
Governance	Maintained 50% board independence ratio.
	Maintained 40% female board representation, exceeding the target of 33%.
	Zero cases of cyber security/data privacy breaches
Environment	Reduced >19% of scope 1 and 2 carbon emissions from 2021
	Reduced >7% of electricity use from 2021
	Targets validated by the Science Based Target initiative (SBTi)
	Over 38,000 kWh renewable energy generated
	44% of debt financed by sustainable finance
Community	Curated >3,000,000 Happy Hours
	Engaged >3,300,000 participants through >220 events
	Maintained traditional trade and modern urban culture shops >25:75 ratio
	Provided support to >30% of the stakeholders in the Lee Gardens neighbourhood to help sustain their businesses
	Zero work-related fatalities
People	53% of management positions* held by women
	6% year on year increase in total training hours

* "Management positions" – manager grade staff and above.

Evaluate and Refine

Culture Assessment and Monitoring

Measures are in place to ensure the desired culture and expected behaviours are communicated to all employees. Specific indicators, both quantitative and qualitative, are also used for assessing and monitoring corporate culture:

Staff turnover rate
Whistleblowing data
Board evaluation
Breaches of code of conduct
Regulatory breaches

Moreover, the Board continues to shape the desired culture, while monitoring and evaluating its continued relevance and alignment with the Company's VMVs and strategy.

It also continues to evaluate the design, implementation and effectiveness of the Group's culture and ethics-related programmes, activities and policies.

Environmental, Social and Governance Recognitions

Attained recognitions from key relevant ESG benchmarks and indices.



Gold – Most Sustainable Organisations Awards (Medium and Small Market Capitalisation Category – Elite Past Winners section), Best Corporate Governance and ESG Awards 2025 for the 22nd consecutive year



ISS ESG Ratings
Rank 1 in Governance



Constituent Member of Hang Seng Corporate Sustainability Index Series



Received a "5-star" Rating



FTSE4Good

Constituent Member of the FTSE4Good Index Series



"Low Risk" in Sustainalytics ESG Risk Rating

Corporate Governance Highlights

Hysan Development Company Limited (the “Company”) and its subsidiaries (the “Group” or “Hysan”) believe that strong governance is the foundation for delivering its strategic objectives and sustainable returns to our stakeholders over the long term.

Throughout 2025, Hysan continued to implement and uphold the principles of good corporate governance as set out in the Corporate Governance Code (the “CG Code”), contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange” or “HKEx”). Hysan has fully complied with the code provisions of the CG Code, as well as all applicable requirements and provisions of the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Listing Rules.

KEY FOCUS AREAS OF THE BOARD IN 2025

As we navigated a period marked by significant challenges and opportunities, the Board identified several key areas of focus for the year. These priorities are essential for ensuring the Group’s long-term growth and resilience.

- **Execution of the Group’s “Core and Pillar Strategy”**

Rejuvenate and enhance the competitiveness of our core portfolio in response to structural changes in the retail and office sectors. Build diversified and complementary pillars for long-term growth.

- **Capital Recycling**

Optimising the Group’s capital structure through deleveraging, unlocking value from mature residential assets, and redeploying resources toward strategic priorities.

- **Capital Management**

Ensure robust liquidity and disciplined capital allocation, including optimising our funding structure, debt maturity profile and financing costs. Maintain rigorous control over operational and capital expenditures.

- **Business and Operational Risk Management**

Assess and mitigate challenges arising from economic uncertainties, geopolitical tensions, structural changes in the retail and office sectors, interest rate fluctuations, acute weather events, and cybersecurity threats.

- **Succession Planning**

- Gradual and orderly refreshment of the Board to ensure continuity and governance excellence, aligning with the skills and expertise necessary to support the Group’s strategy and growth.
- Proactively identify talent to ensure a seamless transition for independent non-executive directors of the Company (“INEDs”), addressing the impending loss of INEDs and their expertise due to the regulatory requirements on INED tenure.
- In light of the skills and expertise of our long-serving and retired INEDs, priority would be given to candidates with essential skill sets in finance and risk management.

HIGHLIGHTS OF THE YEAR

BOARD COMPOSITION

In accordance with the long-term succession plan of the Board to balance experience, expertise, diversity and tenure, the Board has been refreshing its composition in an orderly and forward-looking manner over the past few years.

Board Independence & Diversity

- The independence ratio of the Board was maintained at 50% during the year, reinforcing robust independent oversight.
- The Company maintained a high level of gender diversity, with female representation at 40% as at 2025, exceeding the measurable objectives set under the Board Diversity Policy.
- The Board Evaluation confirmed that strong corporate governance pedigree and independence remain key strengths of the Board.

Refreshment of INEDs' Tenure

- Following the appointment of a new INED in late 2024, the Board approved the retirement of an INED during the year and refreshed the average tenure of INEDs.
- This Board refreshment formed part of the Company's ongoing succession planning and addressed regulatory and governance considerations relating to INED tenure, ensuring an optimal balance between continuity and the introduction of fresh perspectives.

Board Skills Matrix

- The Board conducted a detailed review and refinement of the Board skills matrix, updating key skill categories, specific expertise and their relevance to the Group. Skills and experience of each director of the Company ("Director") were reviewed against the updated matrix to confirm coverage and identify any potential gaps.
- Following the annual review, the Board considered that the existing mix of skills, experience and expertise continued to be appropriate and adequate, and aligned with the Group's strategic priorities, values and corporate culture.
- As the industry landscape becomes increasingly complex, the Board will continue to build and refresh skills to address a more challenging business environment.

**A diligent & engaged Board. Excellent collaboration.
Everyone is committed to bring unique value to the
Company.**

Directors' comments received in 2025 Board Evaluation

Corporate Governance Report

HIGHLIGHTS OF THE YEAR (continued)

Strong Engagement and Contribution of each Director

- All Directors demonstrated strong commitment to their roles during the year, achieving 100% attendance at meetings of the Board, Board Committees and the annual general meeting, with active engagement and participation.
- The Board Evaluation confirmed that the Board and its Committees remained highly effective, with each Director making positive and constructive contributions.

CAPITAL MANAGEMENT & ASSET RECYCLING

- The Group announced an HK\$8 billion capital recycling programme spanning the next five years via targeted divestment of non-core assets.
- In 2025, the Group collected HK\$2.1 billion (26% of the programme target) through capital recycling initiatives.

STAKEHOLDER ENGAGEMENT

- In addition to the hybrid annual general meeting of the Company ("AGM") that broadens the reach of the AGM, the Company maintains robust investor relations through biannual webcast earnings calls open to the global investor community and Shareholders.
- Targeted investor meetings and property conferences engaging debt and equity capital providers; and guided property tours providing firsthand insights into the Company's developments and ongoing business activities.

The Company is well run and delivered strong results in a difficult period. Close executive chair work relationship with management allows a proactive, detailed and effective operation.

Directors' comments received in 2025 Board Evaluation

A LONG-ESTABLISHED CORPORATE GOVERNANCE TRADITION

We are committed to achieving best practices in all aspects of corporate governance, going above and beyond regulatory compliance with the Listing Rules.

This section highlights the corporate governance practices Hysan has adopted over the years, which remain best practices exceeding the relevant CG Code and/or the Listing Rules requirements.

GOVERNANCE STRUCTURE

- Our Board comprises 10 Directors, of which five are INEDs, exceeding the independence requirements under the Listing Rules.
- The remuneration committee of the Company (“Remuneration Committee”) consists entirely of INEDs.
- The nomination committee of the Company (“Nomination Committee”) comprises 60% female members.
- An effective and thorough evaluation of the Board and the Board Committees is conducted digitally on an annual basis, followed by timely and meaningful analysis and discussion of Directors’ feedback and action plans.
- The Company engaged an external legal advisor to review and enhance the Board evaluation framework, including the assessment criteria, questionnaire and analysis of findings. This process further strengthened the integrity and robustness of the evaluation.
- Directors are appointed through formal letters of appointment, which set out formal criteria and requirements (including expected time commitments) for their appointment.
- Refined the existing corporate governance guidelines and formalised them into Hysan’s Code of Corporate Governance*, which articulates the framework for the Group’s corporate governance practices and reinforces the Board’s governance responsibilities.
- A Board of Directors Mandate* and a detailed Schedule of Corporate Matters Reserved for the Board* have been adopted to provide a clear division of roles between the Board and the Company’s management.
- Comprehensive Onboarding Guidelines for Directors* have been established to familiarise new Directors with Hysan’s business, strategy, VMVs, culture and governance.
- The terms of reference of the Nomination Committee require the majority of members to be INEDs, exceeding the Listing Rules requirements.

Very strong corporate governance pedigree with the Company.

Directors’ comments received in 2025 Board Evaluation

Corporate Governance Report

<p>STAKEHOLDER ENGAGEMENT</p>	<ul style="list-style-type: none"> • Limits have been placed on the issuance of additional shares under a general mandate since 2018; such issuances shall not exceed 10% of the total number of the Company's issued shares, and the discount- to-market price of any shares to be issued shall not exceed 10%. • More than 20 business days' notice is given for the AGM. • Early announcements of audited financial results and publication of annual reports (within two months and three months after the financial year-end respectively).
<p>INTERNAL CONTROL AND COMPLIANCE</p>	<ul style="list-style-type: none"> • A Risk Appetite Statement*, adopted in 2021, articulates Hysan's principles of risk acceptance in pursuit of its strategic mission and business objectives. The statement defines the types of risk scenarios the Group should avoid becoming exposed to, taking into consideration the varying levels of exposure. • A Tax Governance Policy* adopted in 2021, along with a supporting tax compliance policy and procedures, provides a tax governance framework on compliance and risk management. • An Anti-Fraud Policy* adopted in 2021 and updated in 2023, along with supporting fraud handling procedures and controls, is in place to govern the prevention, detection and reporting of fraud. • A Human Rights Policy*, adopted in 2020 and updated in February 2024, and a Code of Ethics* applicable to all staff and Directors were adopted in 2005 and updated in January 2024. The policy and the code are designed to promote a healthy corporate culture of accountability, transparency, integrity and ethical behaviour. • A separate Whistleblowing Policy* was established in 2016 to allow reporting to be made in confidence to an independent third party, which reports directly to the audit and risk management committee of the Company ("Audit and Risk Management Committee"). The Whistleblowing Policy, together with the Anti-Bribery and Corruption Policy*, both updated in February 2026, reinforces and expands Hysan's existing anti-corruption system and procedures.

The Board collaborates effectively and possesses the requisite expertise to provide guidance and oversee the Company's governance and strategic initiatives.

Directors' comments received in 2025 Board Evaluation

INTERNAL CONTROL AND COMPLIANCE

(continued)

- An Auditor Services Policy* was adopted in 2012 to set the parameters within which auditors may be engaged for audit, non-audit or tax work that is consistent with applicable laws and Hysan's corporate governance principles.
- A formal Code for Securities Dealing by Restricted Employees, which sets out clearance and approval procedures for securities dealings, has been adopted and was updated in January 2026 to extend the relevant Listing Rules requirements to employees who, because of their office, are likely to have access to confidential or inside information of the Group.
- Connected transactions and continuing connected transactions are approved by the full Board, with a requirement that transactions exempt under the Listing Rules be reported to and confirmed by the full Board after obtaining the approval of the executive committee of the Company ("Executive Committee").
- Additional assurance regarding the review of continuing connected transactions is provided by Internal Audit.
- Confirmation from senior management to the Audit and Risk Management Committee and the Board is provided to verify the effectiveness and adequacy of the Group's risk management and internal control systems.
- All corporate policies and procedures (including but not limited to policies on financial reporting, procurement and privacy compliance) are reviewed annually to ensure their continued effectiveness and relevancy.

The ARC chair, with his extensive real estate expertise, will further enhance internal audit capabilities, and effectively monitor existing risks and proactively identify emerging ones.

Directors' comments received in 2025 Board Evaluation

Corporate Governance Report

SUSTAINABILITY	<ul style="list-style-type: none">• A sustainability committee of the Company (“Sustainability Committee”) was established in 2020, with a clear governance structure and terms of reference to support the Board in overseeing and providing direction on the Group’s sustainability development and management of ESG-related risks and issues.• In support of Hysan’s sustainability strategy and vision, a sustainable Finance Framework* was adopted in 2021. This framework expands the scope of the Company’s existing Green Finance Framework* to include not only green projects but also social projects and initiatives that have a positive impact on society and our stakeholders.• Financing transactions conducted under the Green Finance Framework and Sustainable Finance Framework include the first green bond in 2019, the first sustainability-linked loan in 2021, and an ESG-linked loan facility in 2022.• A Sustainable Procurement Policy*, adopted in 2021 and updated in February 2026, provides guidelines for making sustainable procurement decisions with the lowest environmental impact and the most positive social results.• A Suppliers’ Code of Conduct adopted in February 2025 states our commitment to conduct business ethically, sustainably and with respect for human rights. Our service providers and contractors are expected to adhere to the Suppliers’ Code of Conduct.
DISCLOSURE AND OTHERS	<ul style="list-style-type: none">• Individual reports for each Board Committee are published in the Annual Report to enhance transparency.• Hysan’s risk management and internal control framework, along with details on how Hysan manages the Group’s significant risks, were disclosed in the Risk Management and Internal Control Report.• A Corporate Culture Statement* was adopted in 2022 to codify Hysan’s culture for better alignment with Hysan’s well-established VMVs and strategy.• A Corporate Disclosure Policy* formulated in 2013 promotes the disclosure of information in a timely, accurate and broadly disseminated manner.• The disclosure committee of the Company (“Disclosure Committee”) conducts regular assessments of potential inside information and communications.• The Dividend Policy was adopted in 2018 and updated in November 2024 with enhanced disclosure on objectives and factors to be considered in dividend decisions.

* Detailed policies and terms of reference are available on the Company’s website: www.hysan.com.hk/governance.

FROM COMPLIANCE TO EXCELLENCE

In July 2025, the amended Corporate Governance Code and the associated Listing Rules (“Amended CG Code”) came into effect, with the new requirements applicable to financial years commencing on or after 1 July 2025. Hysan has continued to further enhance its governance practices ahead of these regulatory requirements, reaffirming our commitment to governance excellence and the creation of long-term shareholder value.

New Requirements	Hysan’s Practices
Directors’ time commitment and contribution	<ul style="list-style-type: none"> ✓ RIGOROUS ANNUAL ASSESSMENT: The Nomination Committee conducts and reports its assessment of each Director’s time commitment and contribution to the Board. ✓ ENHANCED DISCLOSURE: <ul style="list-style-type: none"> – detailed disclosure of the annual assessment process under the Nomination Committee Report, including the assessment criteria applied. – disclose the range of hours contributed by executive Directors (“EDs”), non-executive Directors (“NEDs”) and INEDs respectively.
Mandatory director training on specific topics	<ul style="list-style-type: none"> ✓ EARLY ADOPTER: Directors have undertaken no less than eight hours of relevant training in each financial year since 2023, with all Directors fulfilling the recommended training hours for the year ended 31 December 2025. ✓ ENHANCED DISCLOSURE: Modes and topics of training for each Director, together with the total number of training hours undertaken, are disclosed in the Corporate Governance Report.
Board performance review at least every two years	<ul style="list-style-type: none"> ✓ EXCEEDS REQUIREMENT: <ul style="list-style-type: none"> – Board evaluations are conducted annually through structured questionnaires, providing more frequent governance oversight and opportunities for continuous improvement. – An external legal advisor has been engaged to review and enhance the Board evaluation framework, including the assessment criteria, questionnaire and analysis of findings, further strengthening the integrity and robustness of the evaluation.

Corporate Governance Report

New Requirements	Hysan's Practices
Disclosure of board skills matrix	<ul style="list-style-type: none"> ✓ COMPREHENSIVE APPROACH: A thorough analysis and refinement of the Board skills matrix, including specific expertise and their relevance, and an assessment of each Director's skills against the Board skills matrix, are conducted by the Nomination Committee annually. ✓ ENHANCED DISCLOSURE: The Corporate Governance Report provides detailed disclosure on the importance and relevance of these skills to the Company's business to ensure the Board maintains the necessary diversity of skills in a dynamic operating environment.
Overboarding INED Hard cap of six listed company directorships	<ul style="list-style-type: none"> ✓ FULL COMPLIANCE: None of our Directors individually held directorships in more than three public companies (excluding Hysan) as of 31 December 2025, ensuring focused governance attention.
Nomination committee consists of at least one member of a different gender	<ul style="list-style-type: none"> ✓ EXCEEDS REQUIREMENT: Our Nomination Committee has 60% female representation, demonstrating our genuine commitment to balanced perspectives in governance decisions.
An annual review of the implementation of the Board Diversity Policy	<ul style="list-style-type: none"> ✓ TRANSPARENT GOVERNANCE: Our Board Diversity Policy, its implementation and effectiveness are thoroughly reviewed by the Nomination Committee annually with detailed disclosure in the Nomination Report.
Adoption of Workforce Diversity Policy	<ul style="list-style-type: none"> ✓ EARLY ADOPTION: Our Workforce Diversity Policy, which outlines our approach and commitment to promoting diversity and inclusion in the workforce, was adopted in November 2024. ✓ MEASURABLE OBJECTIVES: Established under the Workforce Diversity Policy to maintain a workforce comprising at least 40% of female employees (including senior management).
Separate disclosure of the gender ratios of senior management and the workforce	<ul style="list-style-type: none"> ✓ COMPREHENSIVE REPORTING: Gender ratios are disclosed with context in the Workforce Diversity section.

New Requirements	Hysan's Practices
Annual review of the effectiveness of the risk management and internal control systems	✓ INTEGRATED APPROACH: Effectiveness of risk management and internal control systems is thoroughly reviewed by the Board annually, with comprehensive disclosure in the Risk Management and Internal Control Report.
Disclose the dividend policy and the Board's dividend decisions	✓ EARLY ADOPTION: Enhanced disclosure was implemented ahead of requirements, providing Shareholders with greater transparency on capital allocation decisions.

LOOKING FORWARD: GOVERNANCE EVOLUTION

Hysan remains committed to governance excellence that goes beyond compliance. We continuously evaluate emerging best practices and stakeholder expectations to ensure our governance framework supports sustainable business success and stakeholder value creation.

Excellent Board chairman leadership in attention to relevant strategic issues, and ensuring openness and effective contribution by all Directors.

Directors' comments received in 2025 Board Evaluation

Our Leadership Team

Executive Directors



Lee Irene Yun-Lien

Chairman of the Board



Board Appointment Ms. Lee was appointed as a non-executive Director in March 2011, became the non-executive Chairman in May 2011, and has served as executive Chairman since March 2012. She also serves as a director of certain subsidiaries of the Group. She is aged 72.

Competencies and Experience Ms. Lee leads the Group in her executive Chairman role. Ms. Lee is an independent director of Alibaba Group Holding Limited, where she chairs its nominating and corporate governance committee and compliance and risk committee. She also serves as a member of the board of trustees of The Better Hong Kong Foundation.

Previously, Ms. Lee held senior positions in investment banking and funds management at a number of international financial institutions, including Citibank in New York, London and Sydney, and was the global head of corporate finance at the Commonwealth Bank of Australia. She was also on the boards of many listed and unlisted companies, including ING Bank (Australia) Limited and QBE Insurance Group Limited. In addition, Ms. Lee was the independent non-executive chairman of Hang Seng Bank Limited. She was also an independent non-executive director of CLP Holdings Limited, Cathay Pacific Airways Limited, Noble Group Limited, HSBC Holdings plc, The Hongkong and Shanghai Banking Corporation Limited, and a member of the Advisory Council of JP Morgan Australia. She was also formerly a member of the Australian Government Takeovers Panel and a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority.

Ms. Lee is a member of the founding Lee family, sister of Mr. Lee Anthony Hsien Pin (a non-executive Director) and his alternate on the Board.

Qualifications Ms. Lee holds a Bachelor of Arts degree from Smith College, the United States of America, and is a Barrister-at-Law in England and Wales and a member of the Honourable Society of Gray's Inn, the United Kingdom. She was awarded the degree of Doctor of Social Science, *honoris causa*, from The Chinese University of Hong Kong in November 2022.

Committee Ms. Lee is the chairman of the Nomination Committee.



Audit and Risk Management Committee



Remuneration Committee



Nomination Committee



Sustainability Committee



Committee Chairman

Executive Directors (continued)



Lui Kon Wai

Executive Director and Chief Operating Officer

Board Appointment Mr. Lui was appointed as the Group's Chief Operating Officer in December 2016 and executive Director in October 2021. He also serves as a director of certain subsidiaries of the Group. He is aged 60.

Competencies and Experience Under the leadership of the executive Chairman, Mr. Lui is responsible for translating and executing the Group's strategy and vision into operational and financial attainment, and driving the Group's business growth, development and investment. He has over 30 years of experience as a senior executive in the global property industry, covering acquisitions, development and asset management for residential, office, retail and large-scale mixed-use developments in Hong Kong, the Chinese Mainland and overseas. Mr. Lui also serves as a member of the Hong Kong Tourism Board, the Council for Carbon Neutrality and Sustainable Development of the HKSAR Government and the Real Estate Services Training Board of Vocational Training Council.

Qualifications Mr. Lui holds a Master of Business Administration from the University of Warwick, the United Kingdom. He is also a Fellow of the Royal Institution of Chartered Surveyors.

Independent Non-Executive Directors



Chung Cordelia

Independent Non-Executive Director



Board Appointment Ms. Chung was appointed as an independent non-executive Director in May 2023 and is aged 66.

Competencies and Experience Ms. Chung has extensive multinational experiences specialising in information technology, with knowledge of the building industry. She was trained and practised as a lawyer. Ms. Chung spent over 20 years with IBM China/Hong Kong Limited ("IBM"). At IBM, she was the first Asian female executive to serve on the chairman and chief executive officer's strategy team, responsible for setting global direction for the company. She held senior leadership positions at IBM, including regional general manager for Southeast Asian countries, general manager for Hong Kong and Macau and general counsel for Asia Pacific.

Ms. Chung currently serves as an independent non-executive director and the chairman of the remuneration committee of HKBN Ltd., an independent non-executive director and the chairman of the remuneration committee of Hang Seng Bank Limited, an independent non-executive director of HKSTP Foundation Limited, and a non-executive director and the chairman of the Asia Pacific advisory council and the risk committee of Arup Group Limited. She is the chairperson of Maryknoll Convent School Foundation Limited and a consultant at Raymond T.Y. Chan, Victoria Chan & Co. Ms. Chung also serves as a member of the Court of City University of Hong Kong and a non-official member of the HKSAR Government's University Grants Committee and Life and Health Technology Research Institute Steering Committee. Ms. Chung is a two-time awardee of the Directors of the Year Award by The Hong Kong Institute of Directors in 2022 and 2025 respectively. She was also awarded the Medal of Honour by the HKSAR Government in 2024 in recognition of her contributions in promoting innovation and technology development in Hong Kong and her active participation in public service.

Ms. Chung was previously the chairman of the board of HKBN Ltd., a non-executive director of Hong Kong Science and Technology Parks Corporation and Grosvenor Asia Pacific Limited, a member of the Human Resources Planning Commission and the Research Grants Council of the HKSAR Government, Dalian Committee of the Chinese People's Political Consultative Conference and the Personal Data (Privacy) Advisory Committee of the Office of the Privacy Commissioner for Personal Data, Hong Kong. Ms. Chung was also a trustee of the board, the chairman of the promotion and development committee and member of the audit and risk committee of the Singapore University of Technology and Design.

Qualifications Ms. Chung holds a Bachelor of Laws (Hons) from the University of Hong Kong.

Committees Ms. Chung is the chairman of the Remuneration Committee and a member of the Nomination Committee.

A Audit and Risk Management Committee

R Remuneration Committee

N Nomination Committee

S Sustainability Committee

○ Committee Chairman

Independent Non-Executive Directors (continued)



Churchouse Frederick Peter

Independent Non-Executive Director



Board Appointment Mr. Churchouse was appointed as an independent non-executive Director in December 2012 and is aged 76.

Competencies and Experience Mr. Churchouse has been involved in Asian securities and property investment markets for more than 30 years. Currently, he is a private investor and has his own private family office company, Portwood Company Ltd. Mr. Churchouse is an independent non-executive director of Longfor Group Holdings Limited. He was the publisher and author of *The Churchouse Letter*.

In 2004, Mr. Churchouse set up an Asian investment fund under LIM Advisors. He acted as the director and Responsible Officer of LIM Advisors until the end of 2009.

Prior to this, Mr. Churchouse worked at Morgan Stanley as a managing director and advisory director from early 1988. He acted in a variety of roles, including head of regional research, regional strategist, and head of regional property research. He was also a board member of Macquarie Retail Management (Asia) Limited.

Qualifications Mr. Churchouse gained a Bachelor of Arts degree and a Master of Social Sciences degree from the University of Waikato in New Zealand.

Committees Mr. Churchouse is the chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

Independent Non-Executive Directors (continued)



Wong Ching Ying Belinda

Independent Non-Executive Director



Board Appointment Ms. Wong was appointed as an independent non-executive Director in December 2018 and is aged 54.

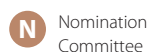
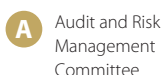
Competencies and Experience Ms. Wong was the former chairwoman and chief executive officer of Starbucks China. Under her visionary leadership, Starbucks expanded its retail presence over 15-fold, reaching more than 7,500 company-owned stores across 1,000 cities and solidifying China as its largest international market. Ms. Wong positioned the brand at the forefront of retail innovation, championing digital initiatives that revolutionised operations and enhanced customer experiences. Notably, she created an omni-channel business model that generated half of the sales of Starbucks China and developed a highly successful loyalty programme with nearly 150 million members.

Ms. Wong joined Starbucks Coffee Company in 2000 and held leadership positions across a variety of business units and geographies, including marketing director for the Asia Pacific region of Starbucks Coffee, managing director of Starbucks Singapore and general manager of Starbucks Hong Kong. She has extensive experience in retail, food and beverage, people, brand development and growth strategy across the Greater China and Asia Pacific regions.

Ms. Wong is currently an independent non-executive director of Chow Tai Fook Jewellery Group Limited and an independent director of Canada Goose Holdings Inc. (listed on the New York Stock Exchange and Toronto Stock Exchange). She also serves as a member of the Faculty Advisory Board for the University of British Columbia's Sauder School of Business. Ms. Wong previously served as an independent non-executive director of Television Broadcasts Limited.

Qualifications Ms. Wong holds a Bachelor of Commerce degree with a major in finance from the University of British Columbia in Canada.

Committee Ms. Wong is a member of the Nomination Committee and Sustainability Committee.



Independent Non-Executive Directors (continued)



Young Elaine Carole

Independent Non-Executive Director



Board Appointment Ms. Young was appointed as an independent non-executive Director in March 2022. She is aged 61.

Competencies and Experience Ms. Young has extensive experience in both real estate and hospitality across Asia. She is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms. Young founded her own real estate and hospitality consultancy firm. In 2017, Ms. Young co-founded TULU, a Shanghai based Co-Living brand. Ms. Young is a special advisor to one of Warburg Pincus' joint ventures in China, NOVA Property Investment Co. Ltd., and sits on its board. She is also the co-chair of The Mekong Club, a non-profit organisation that fights modern day slavery. She was named "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Woman in Asia Awards in 2009.

Ms. Young served as an independent non-executive director of Link Asset Management Limited (as manager of Link Real Estate Investment Trust) for nine years until 31 January 2022 and was a member of its finance and investment committee and remuneration committee. She was an independent non-executive director of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust listed on The Singapore Exchange Securities Trading Limited, and was a member of its audit committee.

Committees Ms. Young is the chairman of the Sustainability Committee and a member of the Remuneration Committee.

Independent Non-Executive Directors (continued)



Zhang Yong

Independent Non-Executive Director



Board Appointment Mr. Zhang was appointed as an independent non-executive Director in December 2024 and is aged 54.

Competencies and Experience Mr. Zhang is the managing partner of Firstlight Capital. He is also a member of Hong Kong Stock Exchange's China Advisory Group and the board of directors of the Saudi Tourism Authority.

Mr. Zhang was appointed as the chief executive officer of Alibaba Group in May 2015 and its chairman in September 2019 until September 2023. Mr. Zhang was a founding member of the Alibaba Partnership.

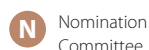
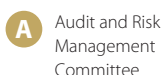
Mr. Zhang joined Alibaba Group in 2007 where he held numerous key positions, including chief financial officer of Taobao Marketplace; general manager and president of Tmall.com; chief operating officer of Alibaba Group; chairman of Cainiao Network; and chairman and chief executive officer of Alibaba Cloud Intelligence Group, in addition to his other key positions until 2023. During his 16-year journey with Alibaba Group, Mr. Zhang was the driving force behind numerous groundbreaking initiatives and his innovations have redefined the global industry for brands, retailers and beyond. He created Tmall, Alibaba's B2C e-commerce platform which today has grown to become the world's largest third-party e-commerce marketplace for brands and retailers. He launched Singles Day, which transformed November 11th into the biggest shopping festival worldwide. He reinvented brand e-commerce from a sales channel to a D2C platform where brands can directly reach, engage and sell to 1 billion Chinese consumers with access to immense consumer insights, creating a robust business model which turned the consumer e-commerce business into Alibaba's profit engine. Mr. Zhang was also a pioneer in new retail, setting new industry benchmarks such as with Alibaba's grocery retailer experiment Freshippo, inspiring global peers in the retail industry. He also oversaw the creation of a unified data infrastructure across Alibaba's various businesses, which unlocked the immense value of cross-business data intelligence for the company and became an industry benchmark for enterprise digitalisation in China.

Before joining Alibaba Group, Mr. Zhang was chief financial officer of Shanda Interactive Entertainment Limited between 2005 and 2007. Mr. Zhang started his career at Arthur Andersen and PricewaterhouseCoopers from 1995 to 2005.

Mr. Zhang previously served as a member of the World Economic Forum International Business Council and as co-chair of the Consumer Goods Forum on both its global and China boards. He was recognised as one of the 100 Most Influential People by TIME magazine in 2020, Best CEO by Forbes China in 2020, and Businessperson of the Year by Fortune magazine in 2019 and 2020.

Qualifications Mr. Zhang graduated from Shanghai University of Finance and Economics with a Bachelor's degree in Finance.

Committee Mr. Zhang is a member of the Audit and Risk Management Committee.



Non-Executive Directors



Lee Anthony Hsien Pin

Non-Executive Director

A

Board Appointment Mr. Lee was appointed as a non-executive Director in 1994 and is aged 68.

Competencies and Experience Mr. Lee is a non-executive director and chairman of the investment committee of Television Broadcasts Limited, as well as a member of the Board of Trustees of Princeton University. He previously served as a director and substantial shareholder of the Australian-listed Beyond International Limited, principally engaged in television programme production and international sales of television programmes and feature films.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder. He is the brother of Ms. Lee Irene Yun-Lien, the executive Chairman.

Qualifications Mr. Lee received a Bachelor of Arts degree from Princeton University and a Master of Business Administration degree from The Chinese University of Hong Kong.

Committee Mr. Lee is a member of the Audit and Risk Management Committee.



Lee Chien

Non-Executive Director

N

Board Appointment Mr. Lee was appointed as a non-executive Director in 1988 and is aged 72.

Competencies and Experience Mr. Lee is the supervisor of St. Paul's Co-educational College and its Primary School, and a trustee emeritus of Stanford University. Mr. Lee was the chairman of CUHK Medical Centre, a member of the Council of The Chinese University of Hong Kong and an independent non-executive director of Swire Pacific Limited.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder.

Qualifications Mr. Lee received a Bachelor of Science degree in mathematical science, a Master of Science degree in operations research and a Master of Business Administration degree from Stanford University.

Committee Mr. Lee is a member of the Nomination Committee.

Corporate Governance Report

Non-Executive Directors (continued)



Lee Tze Hau Michael

Non-Executive Director



Board Appointment Mr. Lee joined the Board as a non-executive Director in January 2010, having previously served as a Director from 1990 to 2007. He is aged 64.

Competencies and Experience Mr. Lee is currently a director of Oxer Limited, a private investment company. He was previously the chairman of the Board of Stewards of The Hong Kong Jockey Club, an independent non-executive director of Chen Hsong Holdings Limited, Hong Kong Exchanges and Clearing Limited and Trinity Limited, and an independent non-executive director and chairman of OTC Clearing Hong Kong Limited. He was also a member of the Main Board and Growth Enterprise Market Listing Committees of The Stock Exchange of Hong Kong Limited.

Mr. Lee is a member of the founding Lee family and a director of Lee Hysan Company Limited, a substantial Shareholder.

Qualifications Mr. Lee received his Bachelor of Arts degree from Bowdoin College and his Master of Business Administration degree from Boston University.

Committee Mr. Lee is a member of the Sustainability Committee.

A Audit and Risk Management Committee

R Remuneration Committee

N Nomination Committee

S Sustainability Committee

○ Committee Chairman

Senior Management



Choi Yick Lam Andy

BBA (Hons), FCPA, ACA
Chief Financial Officer

Mr. Choi is responsible for the Group's financial control and treasury, and serves as a director of certain Hysan subsidiaries. Mr. Choi joined the Group in 2019. He has accumulated extensive experience in accounting, financial management, and capital markets through his work with an authorised institution and a global accounting firm. He is aged 43.



Yip Mo Ching Jessica

BSc (Surveying), MBA, MRICS, MHKIS, RPS
Director, Office and Residential

Ms. Yip is responsible for managing the office portfolio and residential sales of the Group, and serves as a director of certain Hysan subsidiaries. Prior to joining the Group in 2012, Ms. Yip fulfilled various roles in international consultancies, occupiers and developers. She has extensive experience in the real estate industry. She is aged 49.



Jim Yau Yee

B.S. (Management)
Senior General Manager, Retail

Ms. Jim oversees the retail leasing of the Lee Gardens portfolio, including Lee Garden Eight. She also serves as a director of one of the Hysan subsidiaries. With over 20 years of extensive experience in managing retail, commercial, and residential portfolio, she has served in multiple senior capacities within leading property developers. She is aged 50.

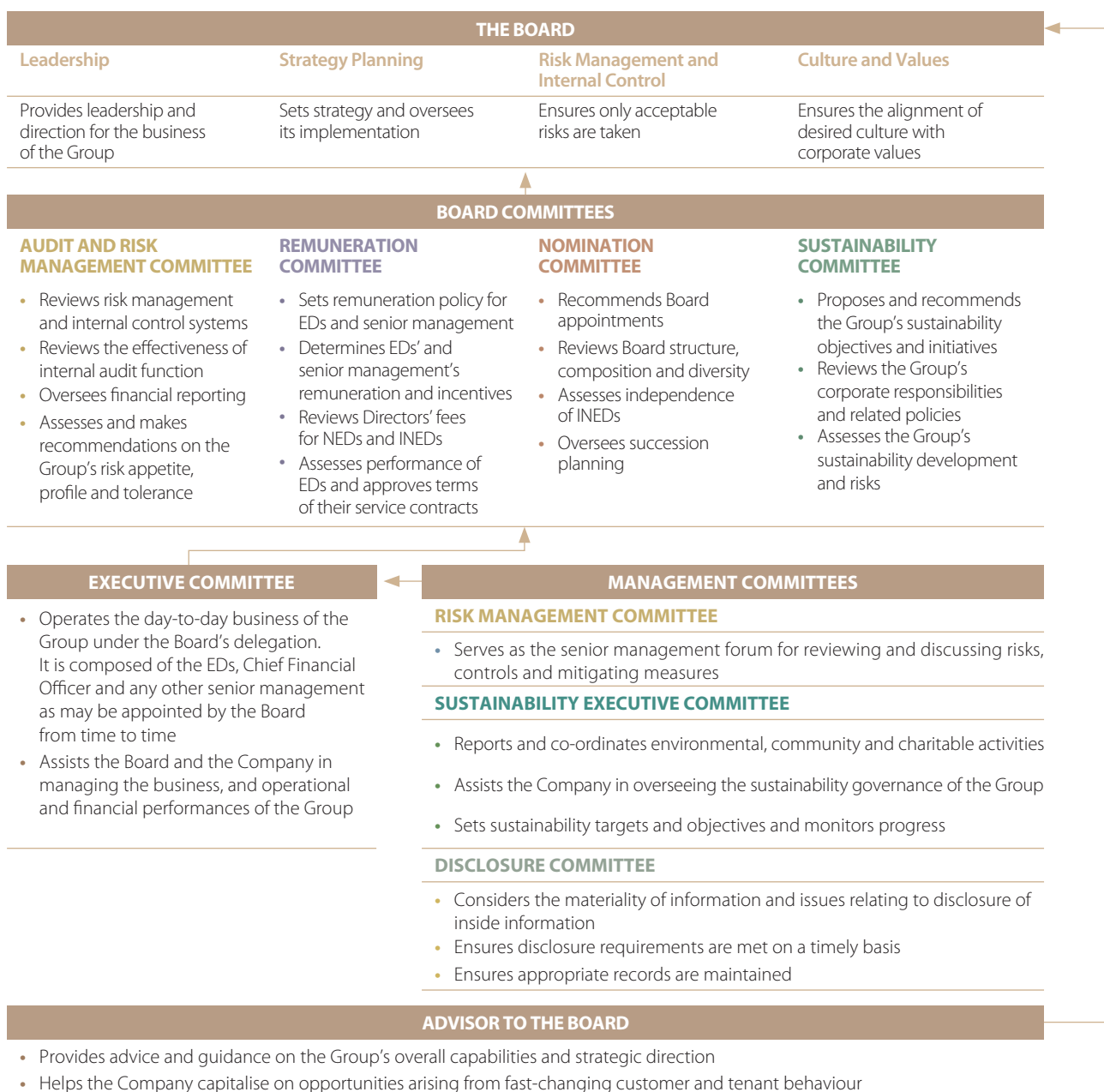
Our Governance Framework

Guided by our core values, we embrace good corporate governance as the foundation for achieving consistent and sustainable performance. We operate within a strong, clear and effective governance framework that allows the Group to enhance business efficacy with precision and, in turn, support Hysan's strategic objective of optimising sustainable financial returns for its Shareholders. The governance framework comprises, inter alia, the **Corporate Governance Framework** and the **Risk Management and Internal Control Framework**.

OUR CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance Structure

Our Group's business operations and affairs are effectively managed and carried out through a chain of delegated authority, with defined limits and effective internal controls, under the corporate governance structure.



Corporate Governance Policies and Guidelines

Our corporate governance framework is underpinned by a wide range of corporate policies and guidelines that embed our corporate culture, core values and long-established corporate governance tradition in key aspects of our operations. Such policies and guidelines are subject to regular review by the Board and/or the relevant Board Committees and are updated from time to time in accordance with applicable legal and regulatory requirements as well as market and/or international best practices.

The Code of Corporate Governance (subject to regular review by the Board) serve as the main code governing the Board's commitment to high standards of corporate governance and its roles and responsibilities in supervising the management of the business and affairs of the Group.

By setting the tone from the top, we are fostering a culture that emphasises good corporate governance, compliance, integrity and responsible decision-making – not only at the Board level but throughout the Group. Directors and employees are expected to strictly follow these corporate governance policies and guidelines:

Governance

- Board Diversity Policy
- Board of Directors Mandate
- Corporate Disclosure Policy
- Code of Corporate Governance
- Nomination Policy
- Onboarding Guidelines for Directors
- Roles and Requirements of Non-Executive Directors and Independent Non-Executive Directors
- Schedule of Corporate Matters Reserved for the Board
- Terms of Reference of each Board Committee

Risk Management and Internal Control

- Anti-Bribery and Corruption Policy
- Anti-Fraud Policy
- Auditor Services Policy
- Risk Appetite Statement
- Tax Governance Policy
- Whistleblowing Policy

Stakeholder

- Procedures for Shareholders to Convene General Meetings/Put Forward Proposals
- Shareholders Communication Policy

Corporate Culture

- Code of Ethics
- Corporate Culture Statement
- Human Rights Policy
- Workforce Diversity Policy

Detailed policies and terms of reference are available on the Company's website: www.hysan.com.hk/governance.

Corporate Governance Report

CORPORATE GOVERNANCE PRINCIPLES

Our corporate governance framework is tailored in accordance with, and regularly assessed against, legal and regulatory developments, market and international best practices and the Company's needs. It aims to ensure that Directors, management and employees act within a robust chain of delegated authority and powers in alignment with our corporate governance principles.

Our Corporate Governance Principles



LEADERSHIP

BOARD GOVERNANCE

Main Roles and Responsibilities of the Board

The Board is responsible for the stewardship of the Group and for ensuring the effectiveness and adequacy of the Group's governance framework. The Board is committed to high standards of integrity and ethics and is governed by a formal **Board of Directors Mandate**. The main roles and responsibilities of the Board are as follows:

- Setting business goals and strategies in the best interests of the Group and overseeing their implementation;
- Determining the Group's risk appetite and evaluating the risks that the Group is willing to take in pursuit of its strategic missions and business objectives;
- Overseeing and ensuring the adequacy and effectiveness of the Group's risk management and internal controls system;
- Supervising the corporate governance and financial performance of the Group;

- Defining, evaluating and refining the Group's VMVs and strategies and ensuring their alignment with the corporate culture; and
- Fostering the desired corporate culture and core values.

To retain control of key decisions and ensure a clear division of responsibilities between the Board and management, the **Schedule of Corporate Matters Reserved for the Board** has been adopted to set out the specific matters reserved for the Board's consideration and approval and is subject to annual review by the Board.

Delegation Between the Board and the Board Committees

The Board is the governing body of the Group and has the responsibility of shaping business goals and strategies in the best interests of the Company and its Shareholders as a whole. In carrying out its duties, the Board may, within defined limits and authority, delegate tasks to its Board Committees from time to time.

The Board has four Board Committees, namely the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee. Each Board Committee operates under specific written terms of reference and reports to the Board on their decisions and recommendations on a regular basis.

All Board Committee meetings are conducted prior to full Board meetings to ensure that all vital matters are reported to the Board in advance, considered thoroughly and decided upon by the full Board in a timely manner.

Each Board Committee has access to independent professional advice as and when required and is supported by the company secretary of the Company ("Company Secretary"). The procedures for seeking independent professional advice have also been enhanced to facilitate Board access to such advice.

Full details of the Board Committees' activities during the year are set out in their respective reports:

- "Audit and Risk Management Committee Report" on pages 117 to 123
- "Remuneration Committee Report" on pages 124 to 135
- "Nomination Committee Report" on pages 136 to 140
- "Sustainability Committee Report" on pages 141 to 145

The terms of reference of each Board Committee were reviewed in November 2025, and amendments were made to the term of reference of the Nomination Committee, which took effect on 1 January 2026. The latest versions of the terms of references are available on the Company's website (www.hysan.com.hk/governance) and the Stock Exchange's website (www.hkexnews.hk).

Division of Duties between the Board and the Management

The Board and the Management

The day-to-day operation of the Group's business is delegated to the management, which is led by the Executive Committee. The Executive Committee is entrusted with the task of implementing business goals and strategies as determined by the Board.

Executive Committee members include the executive Chairman ("Chairman"), the executive Director and Chief Operating Officer ("ED & COO"), the Chief Financial Officer ("CFO") and any other senior management of the Company as may be appointed by the Board from time to time. The terms of reference for the Executive Committee were reviewed in 2025.

Corporate Governance Report

To support Hysan’s strong governance framework and the business and operational needs of the Group, three governance-related management level committees have been established:

- the Risk Management Committee;
- the Sustainability Executive Committee; and
- the Disclosure Committee.

BOARD SIZE, COMPOSITION AND APPOINTMENT

As at 31 December 2025 and up to the date of this report, the Board was composed of 10 Directors, including the Chairman, the ED & COO, five INEDs and three NEDs.

Category	Directors	Length of	
		Tenure as at 31 December 2025	Current Period of Appointment
EDs	Lee Irene Yun-Lien (Chairman)	14.8 years	3 years
	Lui Kon Wai	4.1 years	2 years
INEDs	Chung Cordelia	2.6 years	2 years
	Churchouse Frederick Peter	13.1 years	1 year
	Wong Ching Ying Belinda	7.0 years	2 years
	Young Elaine Carole	3.8 years	1 year
	Zhang Yong	1.1 year	1 year
NEDs	Lee Anthony Hsien Pin	31.8 years	1 year
	Lee Chien	37.7 years	3 years
	Lee Tze Hau Michael	16.0 years	1 year

The Board considers that this composition is well balanced in terms of experience, competencies, expertise, diversity and skills, with a strong independent element ensuring the impartiality of the Board’s decision-making process and oversight of management. Such a balanced composition also provides the checks and balances necessary to safeguard the interests of the Shareholders.

Biographies of the Directors, including the relationships among them, are set out from pages 56 to 64, and are also available on the Company’s website: www.hysan.com.hk/about/leadership.

Ms. Lee Irene Yun-Lien, Ms. Chung Cordelia, Ms. Wong Ching Ying Belinda and Mr. Lee Chien will retire by rotation at the forthcoming AGM to be held on 5 June 2026 (“2026 AGM”). These Directors, being eligible for re-election, will offer themselves for re-election at the 2026 AGM in accordance with Article 114 of the articles of association of the Company (“Articles”).

**Strong Board with sufficient independent oversight.
Chairman welcomes diverse views.**

Directors’ comments received in 2025 Board Evaluation

Details of the Directors standing for re-election are set out in the AGM circular to the Shareholders. None of these Directors has a service contract with the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Their proposed re-election will be considered by separate resolutions.

The Board, in accordance with the recommendation of the Nomination Committee, has determined that the size of the Board is adequate and effective for discharging its duties and responsibilities, and recommends the re-election of Ms. Lee Irene Yun-Lien, Ms. Chung Cordelia, Ms. Wong Ching Ying Belinda and Mr. Lee Chien, as Directors at the forthcoming 2026 AGM.

BOARD DIVERSITY

Board Diversity

Hysan recognises the importance of diversity as a contributor to Board effectiveness and the long-term success of the Group. Diversity and inclusiveness provide the Board with a wider knowledge base and bring in new insights and perspectives, which improve decision-making and the ability to adapt to new business challenges. In accordance with the Board Diversity Policy, which sets out our approach to achieving diversity on the Board, the Nomination Committee annually reviews and reports to the Board on the following:

- The structure, size and composition of the Board; and
- The diversity of background (including, but not limited to, gender, age, cultural and educational background and ethnicity), experience, skills and length of service with the Board.

The Nomination Committee will also consider Board diversity as part of its annual evaluation of the structure and composition of the Board.

During the year, the Board Diversity Policy was reviewed to assess its implementation and effectiveness, as well as progress on achieving measurable objectives (in particular, gender diversity at the Board), as set forth in the CG Code.

Well diversified in terms of gender, a wide spectrum of expertise and experience.

Directors' comments received in 2025 Board Evaluation

GENDER DIVERSITY AT BOARD LEVEL

The Board recognises that gender-diverse leadership encourages better governance, provides a broader range of perspectives in the decision-making process and ultimately increases corporate performance and competitiveness.

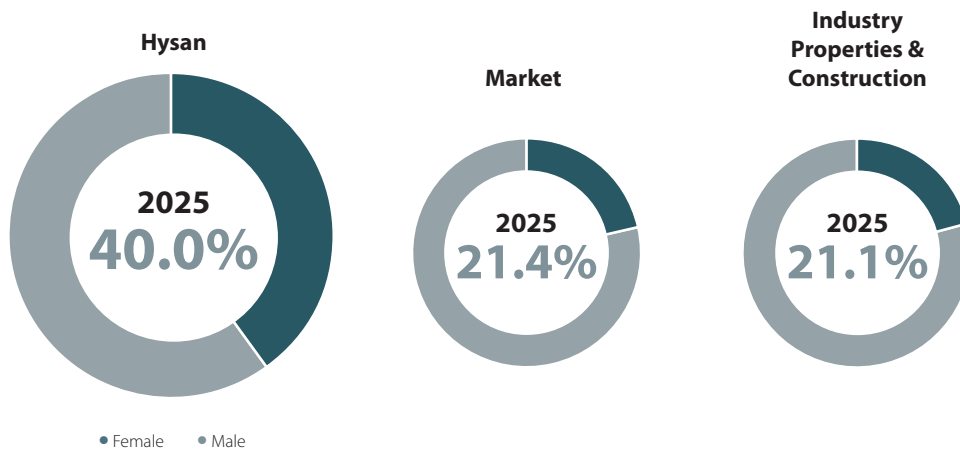
Gender diversity has been made one of the formal factors to consider in our Board refreshment and succession planning. The Nomination Committee and the Board have considered the ability of each potential candidate to contribute towards the Board's responsibilities and, in particular, Hysan's diversity agenda, in order to develop a pipeline of potential successors for achieving our gender diversity target.

Gender Diversity Target and Process

Demonstrating its commitment to diversity and striving for continuous improvement, Hysan in 2022 pledged to achieve and maintain a minimum of 33% female representation on the Board, with the ultimate goal of achieving gender parity at the Board level. This gender diversity target was set as a measurable objective in the Board Diversity Policy last reviewed in November 2025. The Nomination Committee reviews, on an annual basis, Hysan's measurable objectives and the progress made towards achieving them, as well as the opportunities to make further improvements or accelerate progress.

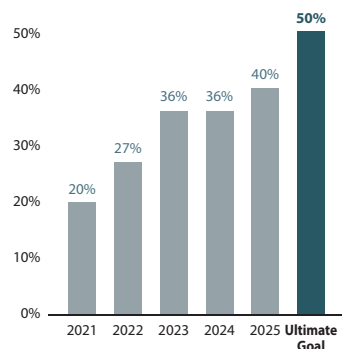
Following board refreshment in recent years, the percentage of female representation at Board level increased from 20% in 2021 to 40% in 2025, maintaining a high level of female board representation among Hong Kong listed companies. Having exceeded our measurable objective of 33% female Directors, we will continue our diversity journey towards the ultimate goal of gender parity.

Female Directorship across HKEx Issuers



Source: HKEx Board Diversity Repository as at the date of this report (www.hkex.com.hk/eng/BoardDiversity/index.htm)

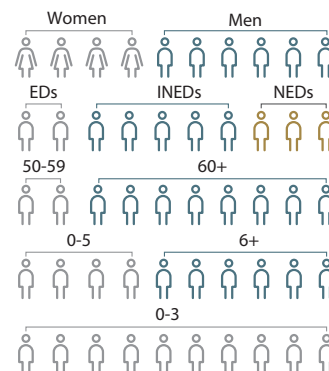
Our Gender Diversity Progress



Our Board composition and diversity:

Key highlights: Female representation of 40%/INED representation of 50%

- Gender diversity
- INED ratio
- Age
- Board Tenure (Years)
- Other Public Company Directorship(s) (Number of Companies)



Board Expertise

The Board recognises the importance of having a diverse range of skills and expertise among the Directors that align with our strategy, governance, and business needs. This enables the Board to discharge its duties and responsibilities effectively in pursuing the Group’s strategic objectives and achieving sustainable growth of the Group.

To ensure the Board continues to possess the necessary and relevant skills, the Nomination Committee conducted a detailed review and refinement of the Board skills matrix, updating key skill categories, specific expertise and their relevance to the Group. Each Director’s skills and experience were reviewed against the updated matrix to confirm coverage and identify any potential gaps. The table below highlights the skillset mix of our Directors and the valuable experience and expertise they contribute to our business, supporting the sustainable and balanced development of the Group.

Category		Skill/Experience	Relevance to Hysan	Combined (expertise)
Strategic	Strategy	Experience in defining and implementing strategic objectives within sizable organisations. Skilled in assessing business plans and driving execution to achieve organisational goals.	Facilitates the development and execution of Hysan’s strategic objectives, driving long-term success while fostering the desired corporate culture.	
	International and China	Strong background in international economics and relations, with specific expertise in Chinese Mainland. Capable of navigating the complexities of cross-border business operations and fostering international partnerships.	Provides insights into international and Chinese Mainland economic trends and relations, identifying opportunities for sustainable growth aligned with Hysan’s long-term strategy.	
	Financial Acumen	Deep understanding of financial drivers and metrics that influence business performance. Proven experience in monitoring business performance and evaluating the financial implications of strategic decisions.	Leverages experience in monitoring business performance, evaluating the financial impact of strategic decisions, analysing financial statements, and assessing financial viability to support Hysan’s financial health and strategic objectives.	
Industry	Real Estate (Hong Kong/China)	Extensive experience as a senior executive in property investment, development, or facilities management. Insightful knowledge of real estate investment opportunities and market trends.	Facilitates the review of Hysan’s business development and operations across property investment, development, asset management and facilities management. Provides insights into real estate investment opportunities and emerging market trends.	
	Retail and Customers	Senior executive experience in major retail, consumer products, e-commerce, and distribution sectors. Skilled in enhancing customer engagement and driving sales growth through innovative strategies.	Offers extensive experience in retail (both physical and digital), customer engagement, and service management strategies, supporting the efficient delivery of Hysan’s retail portfolio curation and marketing initiatives.	

Corporate Governance Report

Category	Skill/Experience	Relevance to Hysan	Combined (expertise)
Control & Governance	Capital Management Experience in the financial or corporate sector with a focus on overseeing financial transactions and investment management. Proficient in capital allocation, corporate finance and capital markets.	Provides oversight, scrutiny and advice on capital management strategies, corporate finance matters and capital markets transactions.	
Governance & Risk Management	Expertise in identifying and anticipating organisational risks, monitoring risk management frameworks, ensuring compliance, and maintaining high standards of corporate governance.	Provides oversight of the implementation and ongoing effectiveness of a robust risk management and internal controls framework, fulfilling a critical governance responsibility of the Board.	
Sustainability & Climate Change	Senior executive experience in addressing environmental and climate-related issues, with a strong track record in leading corporate social responsibility initiatives.	Brings expertise in driving sustainability and climate strategy, overseeing ESG risks and opportunities, and ensuring adherence to reporting standards and best practices.	
People and Culture	Senior executive experience in people management and in building a strong corporate culture, with a proven track record of talent development and succession planning aligned with organisational goals.	Champions a positive culture and integrates people management with Hysan's core values, supporting long-term sustainable performance and leadership development.	
Technology	Proficient in the digital and technology sectors, including tech companies and technology-heavy institutions, with experience in managing technology-related projects, information security and data privacy governance, ensuring compliance with best practices.	Provides strategic insights on digital transformation, technology risk management, and robust governance of information security and data privacy.	

● Extensive ● Moderate

The Board comprises individuals with diverse and relevant knowledge in finance, real estate, China, the digital economy, and retail, essential for the long-term future of the Company.

Directors' comments received in 2025 Board Evaluation

To enhance the Group's strategy and overall capabilities in addressing new business trends and emerging generational shifts, the Board invited Ms. Li Xinzhe Jennifer to sit as an advisor on the Board in 2018.

Recognising the rapid evolution of consumer preferences and advancements in digital technology within the retail sector, the Company appointed Ms. Chung Cordelia as an INED in 2023, leveraging her extensive multinational experiences in information technology. The Board's skills matrix was further enhanced with the appointment of Mr. Zhang Yong as an INED in December 2024. Mr. Zhang contributes valuable expertise in consumer behaviour, the evolving business landscape, digital economy and technological trends.

Upon due consideration of the Company's business needs and long-term strategic objectives, the Nomination Committee is of the view that the existing level of expertise within the skills matrix is adequate. The Company is committed to continually identifying opportunities to further enrich the Board's skills matrix, ensuring alignment with its purpose, values, strategy, and desired culture.

Workforce Diversity

Hysan believes that a diverse workforce and an inclusive culture support Hysan in creating a dynamic environment that leads to higher performance and improved well-being. We are committed to fostering an inclusive, diverse and supportive workplace where all employees, regardless of gender, background, skills and experience, are valued, respected and treated fairly with equal access to opportunities. The Company adopted a Workforce Diversity Policy in November 2024 (which was last reviewed in November 2025) which outlines our approach and commitment to inclusion and diversity in the workforce (including senior management).

Considering the nature of Hysan's business and the markets in which it operates, gender diversity is the more common and significant issue for Hysan. As one of the measurable objectives under our Workforce Diversity Policy, Hysan commits to maintaining at least 40% female employees (including senior management). The Nomination Committee shall review the Company's workforce diversity, discuss and consider the measurable objectives set for implementing this Policy and the progress made towards achieving these objectives (in particular, the gender diversity targets) annually. The Nomination Committee shall also conduct regular reviews to identify any gender pay gaps and ensure equal pay for work of equal value.

As at 31 December 2025, we had 66.7% of senior management positions filled by women and a 38:62 female-to-male ratio in the overall workforce (excluding senior management), which was largely in line with the industry norm. The Company will strive to maintain at least 40% female employees (including senior management).

In order to attract and retain candidates from the widest possible pool of available talent, the Workforce Diversity Policy will be applied in the recruitment and promotion processes of the Group. The Group has also implemented programmes that assist employees in their personal growth and skills development to prepare them for potential promotions to senior management positions.

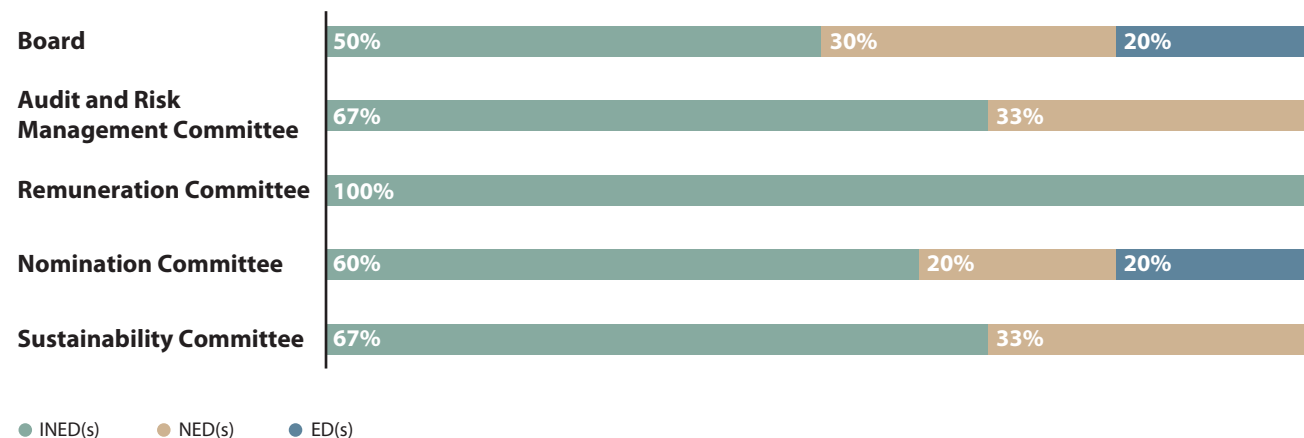
Please refer to our Sustainability Report 2025 for further details on Diversity and Inclusion.

Corporate Governance Report

BOARD INDEPENDENCE

The Company recognises that Board independence is one of the cornerstones of good corporate governance. As at 31 December 2025, five out of our 10 Directors were INEDs, exceeding the Listing Rules requirement that at least one-third of the Board (and not less than three Directors) shall be INEDs.

Independence Weighting



Criteria of Independence

- Clearly set out in our Code of Corporate Governance
- Free from any business or other relationship that may interfere with the exercise of their independent judgment

The independence assessment of each of the INEDs is based on the independence criteria set out in the independence guidelines of the Listing Rules and our Code of Corporate Governance. We also consider and reference major proxy advisors' voting recommendations and guidelines in approaching the issue of INED independence. The assessments are carried out in advance of their appointment, annually, and at any time when necessary or appropriate, including through the following:

- INED nominations and the appointment process;
- Annual review of the structure, composition and balance of the Board in terms of its independence ratio;
- Disclosure of the number and nature of offices held in listed public companies and organisations, along with any other significant commitments;
- Annual independence confirmation from each INED;
- Full disclosure in annual reports of cross-directorships or other business relationships that may interfere with Directors' independence;
- Potential conflicts of interest reviewed by the Nomination Committee annually with recommendations on appropriate actions to take; and
- Confirmation by each Director and alternate Director of his/her other directorships, major appointments, and interests to the Company, twice a year.

Independence of Directors

The Company received written confirmations from all INEDs regarding their independence and that of their immediate family members for the year ended 31 December 2025. The Nomination Committee has carried out a detailed review of the Directors' independence on a case-by-case basis and considers each of the five INEDs to have been independent throughout the year under review:

Name	Management	Independent	Not Independent	Reason for Independence Status
Chung Cordelia		✓		<ul style="list-style-type: none"> No business relationships, family ties, past employment or other relationships with the Group or management that would affect independence No significant shareholding
Churchouse Frederick Peter		✓		
Wong Ching Ying Belinda		✓		
Young Elaine Carole		✓		
Zhang Yong		✓		

Tenure of INEDs

- The Nomination Committee considered the INEDs' tenure, noting that Mr. Churchouse Frederick Peter has served as an INED for more than nine years.
- With a career spanning more than 30 years in Asian and global securities markets, Mr. Churchouse Frederick Peter brings expertise and hands-on experience in property investment, asset management, research and valuation, offering exceptional value to the Board. His strategic insights and deep market understanding are instrumental in guiding the Group through periods of economic uncertainty, underpinning critical financial and risk management decisions, particularly in the realms of investment and capital allocation. Mr. Churchouse's profound knowledge of asset valuation and financial analysis plays a central role within the Audit and Risk Management Committee in advising the Board on risk management strategies and ensuring the integrity of the Group's fair value assessment and financial reporting, which are essential for maintaining trust with Shareholders and the broader investment community.
- The Board and the Nomination Committee are also of the view that Mr. Churchouse has exercised independent judgement and consistently demonstrated a healthy level of professional scepticism and has not refrained from asking probing questions and challenging management's views and recommendations. There is no evidence to suggest that his tenure has had any impact on his independence. In addition, the unique expertise of Mr. Churchouse in real estate, capital management, financial acumen, together with his comprehensive understanding of the operations of the Company, enable him to provide valuable and objective guidance for the Group's business.
- After considering the above reasons and the relevant independence assessment requirements set out in Rule 3.13 of the Listing Rules, the Nomination Committee formed the view that, despite having served on the Board for over nine years, Mr. Churchouse remains independent, taking into account his impartial views and comments expressed during the Board and Board Committee meetings, his positive and significant contributions, deep insights and guidance on the Company's strategies and business development.

Corporate Governance Report

Other Directorships

- Ms. Chung Cordelia is currently an independent non-executive director of Hang Seng Bank Limited (“Hang Seng”) (a substantial shareholder of a subsidiary of the Company and thus a connected person of the Company). Under Rule 3.13 of the Listing Rules on independence assessment, an independent non-executive director of a core connected person is specifically excluded from the factors that would affect independence. It is considered that Ms. Chung’s directorship with Hang Seng in her capacity as an independent non-executive director would not affect her independence. Ms. Chung is thus able to fulfil the relevant independence requirements of the Listing Rules and is accordingly entitled to vote and be counted in the quorum for any transactions with the HSBC group (including the Hang Seng group). In addition, with unique expertise in information technology and the building industry, both of which are relevant to the Group’s business, Ms. Chung would provide valuable and independent guidance for the Group’s business.
- Ms. Chung Cordelia held a cross-directorship with Ms. Lee Irene Yun-Lien, as they both served on the boards of the Company and Hang Seng, until the retirement of Ms. Lee Irene Yun-Lien as the independent non-executive chairman of Hang Seng on 8 May 2025. Having regard to the fact that Ms. Chung serves in an independent non-executive capacity and does not hold any shares in either company, the cross-directorship did not undermine the independence of Ms. Chung with respect to her directorship in the Company.

Following the independence assessment of each INED, the Nomination Committee and the Board are of the view that all INEDs were and remain independent and that there were no business or other relationships or circumstances which are likely to affect the judgement of any of the INEDs. The INEDs continue to bring an independent view to our Board discussions and strategic oversight, providing constructive challenge for management.

Mechanisms to Ensure Independence

Conflict Management

Apart from the aforementioned independence assessment, the following measures have also been taken to ensure all decisions and actions are in the best interests of the Company and its Shareholders:

- Strict compliance with our Code of Ethics, which aims to avoid conflicts of interest;
- Declaration of potential conflicts of interest;
- Voluntary abstention by Directors from discussions and voting on matters related to them (regardless of the absence of any potential conflicts upon appropriate assessment) after due declaration of interest in accordance with the Companies Ordinance;
- Separate meetings among INEDs, without the presence of EDs or NEDs;
- Full Board approval of connected transactions, with transactions exempt under the Listing Rules required to be reported to and confirmed by the full Board each quarter after obtaining the Executive Committee’s approval;
- Reminders to the Directors from the Company Secretary twice a year on compliance with the relevant Listing Rules requirements on connected transactions; and
- Independent professional advice, as and when required by individual Directors.

Please also refer to the “Directors’ Disclosure on Conflicts of Interest” section below for further details.

Independent Views and Input Available to the Board

Apart from the INED nomination and appointment process as well as the independence assessments mentioned above, the Company has established mechanisms to ensure that Directors will be given adequate opportunities and channels (formal or informal) to communicate their independent views and input in an open and candid manner and, where necessary, in a confidential manner. Such mechanisms have been incorporated in the following aspects of our corporate governance framework and are subject to regular review by the Board:

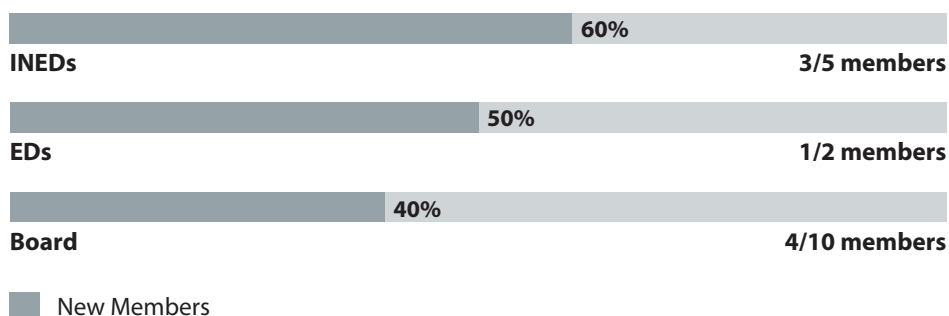
- Proper meeting arrangements and procedures to facilitate open and constructive discussions as well as informed and thorough consideration of relevant issues;
- A Board culture that encourages Directors with different views to raise their concerns and to exercise independent judgement;
- Board's full access to senior management, management's updates, and availability of all material information on performance and key activities and projects;
- Communication outside of the boardroom, including separate meetings with the Chairman and/or senior management, and interactions with management and other Board members;
- Utilisation of the digital board portal to foster timely communication among Directors and senior management;
- Board evaluation on an annual basis; and
- Board access to independent professional advice.

In 2025, the Chairman held one meeting with the INEDs without the other Directors and senior management present, in addition to the regular Board meetings. This meeting served as an effective platform for the Chairman to hear and understand the INEDs' perspectives on issues that included corporate governance improvements, Board effectiveness, and any other issues they wished to discuss in a private setting.

BOARD REFRESHMENT

With the objective of striking a balance between fresh ideas and perspectives and a deep understanding of the Company's history, culture and long-term strategies, the Board has been refreshed in an orderly and forward-looking manner during the last few years. As part of our ongoing efforts to gradually refresh the Board, the Board saw four new appointments (three INEDs and one ED) and three retirements since 2021. This initiative aims to bring new skills and perspectives to support the Group's strategy and governance as well as enhancing the Board's diversity.

From 2021 to 2025 Percentage of new members



Corporate Governance Report

Nomination

Hysan believes that a proper and detailed nomination process ensures the nomination of Directors who are well-suited to advance the best interests of the Group, facilitates smooth transitions, and ensures continual refreshment of the Board, whereas the reshuffling of Board Committees provides a balance between continuity and fresh perspectives.

Based on our Nomination Policy and Board Diversity Policy, the Nomination Committee considers a variety of factors in assessing the suitability of a proposed candidate, including, among others, the following:

- Reputation for integrity;
- Accomplishments, experience and reputation in the real estate industry and other relevant sectors;
- Skillset and expertise relevant to the Company's business and in complementing and advancing the strategic goals of the Company;
- Commitment and attention to the Company's business, including devoting adequate time for preparation and participation in meetings, training sessions and other Board or Company associated activities;
- Diversity in all aspects including, but not limited to, gender, age, cultural and educational background, ethnicity, experience, skills, knowledge and length of service;
- Ability to assist and support management and make significant contributions to the Company's success;
- Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules (for INEDs); and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The nomination process has been, and will continue to be, conducted in accordance with these unique policies. The Board also reviews these policies, including their implementation and effectiveness, to ensure compliance with regulatory requirements and sound corporate governance practices.

Appointment and Induction

In considering the appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of the individual, evaluate the candidate using the same criteria regardless of the source of the candidacy, and make recommendations for the Board's consideration and approval.

In order to ensure that the Directors are committed to allocating sufficient time and attention to the affairs of the Group, all Directors are engaged by formal letters of appointment, which set out clearly the terms and conditions of their appointments. Directors (including all NEDs and INEDs) serve for a term of three years and are subject to rotation under the Articles.

The Board has adopted comprehensive Onboarding Guidelines for Directors, which include a tailored induction programme that gives new Directors an understanding of the Group, its businesses and operations, risks and challenges, corporate culture and Board governance, with due regard to the Director's unique background, skills, experience and perspective. The induction programme includes an introductory session with the Company Secretary, individual meetings with the Chairman, Directors and senior management, portfolio visits, and meetings with the Company's external advisors. Individual briefings are also arranged on specific topics such as Directors' responsibilities and the Group's business.

Priorities of our Induction Programme

To provide an overview of

- Hysan's corporate culture and its VMVs;
- the Group's strategies and challenges;
- the Group's business and key risks;
- the Group's financial and capital management;
- the Group's corporate and organisational structure;
- the Board's culture, governance and dynamics; and
- the legal and regulatory obligations of a Director.

To familiarise new Directors with the Board and senior management

- meetings with the Chairman, Committee Chairmen and senior management; and
- an introductory session with the Company Secretary and training by external advisors.

Re-election

In considering the re-appointment of any existing member(s) of the Board, the Nomination Committee shall review the retiring Director's time commitment, contributions, ability to discharge his/her responsibilities effectively, as well as the selection criteria set out in the Nomination Policy and the Board Diversity Policy. The Nomination Committee will then make recommendations to the Board for its consideration, with the Board determining whether to recommend the proposed candidates for re-election at the AGM.

The Directors are subject to re-election at the first AGM following their appointment. Every Director will be subject to retirement by rotation at least once every three years under the Articles. Retiring Directors are eligible for re-election at the AGM during which they retire. There is no cumulative voting in Directors' elections. Each Director shall be elected by separate resolutions.

Ongoing Review by the Nomination Committee

The Nomination Committee reviews the structure, size, composition, commitment, board skills matrix, independence and diversity of the Board and Board Committees from time to time, and undertakes a comprehensive review of the gender, age, tenure, cultural, educational and professional background, skills, knowledge and experience of each Director. The most recent review was conducted in November 2025.

The Nomination Committee was satisfied with the structure, size, composition, commitment, board skills matrix, independence and diversity of the Board and the Board Committees.

Recognising the evolving and escalating requirements for the Sustainability Committee, the Nomination Committee also reviewed and considered the composition of the Sustainability Committee to ensure that its members possess the appropriate skills and competencies to oversee strategies for addressing ESG (including climate-related) risks and opportunities.

Corporate Governance Report

While diversity in terms of length of service with the Board would in fact provide a proper balance between an understanding of the Group's practices and fresh perspectives, and despite the conclusion of the Nomination Committee that tenure would not affect our INEDs' independence, the Nomination Committee noted that INEDs' tenure is an increasing regulatory and governance concern to be addressed. The Nomination Committee has methodically built up a panel of INEDs with diverse backgrounds, seasoned industry experience, expertise and skills matrix and has refreshed the Board in a gradual and orderly manner to ensure continuity and effective oversight.

In view of the new requirements on long-serving INEDs under the CG Code, the Nomination Committee will continue to:

- Ensure gradual and orderly Board refreshment to maintain continuity and effective governance.
- Proactively identify and engage potential candidates to support a smooth succession and mitigate the potential loss of experience and expertise resulting from tenure-related regulatory requirements.

The Nomination Committee concluded that, for succession planning and long-term growth, the Board should strengthen expertise in real estate, retail and consumers, finance and accounting. Priority will also be given to candidates with strong finance and risk management experience, considering the expertise of long-serving and retired INEDs. Board refreshment should also promote diverse perspectives and support Hysan's goal of gender parity.

Board Committees Refreshment

To maintain a balance between continuity and fresh perspectives while considering the evolving demands of the Board Committees, the Nomination Committee and the Board also considered and approved, the following changes to the composition of certain Board Committees:

With effect from the conclusion of the 2025 AGM:

- Mr. Poon Chung Yin Joseph ceased to be the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee upon his retirement as an INED on the same day.
- Mr. Churchouse Frederick Peter was re-designated as the chairman of the Audit and Risk Management Committee.
- Ms. Wong Ching Ying Belinda was appointed as a member of the Nomination Committee.

EFFECTIVENESS

Board effectiveness stems from achieving the right composition, size, diversity, commitment and independence. This can be attained through a proper board process, ongoing reviews and a board evaluation process.

DIRECTOR'S TIME COMMITMENT AND CONTRIBUTION

Board effectiveness is attained through the significant commitment and contributions of each Director. The Nomination Committee reviews and assesses each Director's time commitment and contribution to the Board in a manner that aligns with their role and responsibilities, as well as the Director's ability to discharge his/her responsibilities effectively, on an annual basis. The assessment process, including the assessment criteria, is set out in the "Nomination Committee Report" on pages 136 to 140.

Strong Engagement and Sufficient Time Commitment

Our Directors, in particular our INEDs, demonstrated strong engagement and sufficient commitment to the Company's affairs throughout the year. All Directors have also confirmed that they committed sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2025.

Directors' Attendance at Meetings

As reflected in their high level of attendance in Board and Board Committee meetings during the year, the Directors continued to participate extensively in the Board's discussions and decisions, and Company affairs in 2025. The INEDs also held separate meetings with the Chairman to discuss Board and relevant matters.

The following table shows Directors' attendance at meetings.

Directors	Board ¹	Audit and Risk				2025 AGM
		Management Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	
Lee Irene Yun-Lien	5/5	4/4 ²	1/1 ²	1/1	2/2 ²	1/1
Lui Kon Wai	5/5	4/4 ²	–	–	2/2 ²	1/1
Chung Cordelia	5/5	–	1/1	1/1	–	1/1
Churchouse Frederick Peter	5/5	4/4	1/1	1/1	–	1/1
Poon Chung Yin Joseph³	3/3	2/2	1/1	–	–	1/1
Wong Ching Ying Belinda	5/5	–	–	1/1	2/2	1/1
Young Elaine Carole	5/5	–	–	–	2/2	1/1
Zhang Yong	5/5	4/4	–	–	–	1/1
Lee Anthony Hsien Pin	5/5	4/4	–	–	–	1/1
Lee Chien	5/5	–	–	1/1	–	1/1
Lee Tze Hau Michael	5/5	–	–	–	2/2	1/1

Notes:

1. Included a dedicated half-day Board meeting held in November 2025 to discuss the Group's business plans and long-term directional strategy.
2. EDs are invited to present updates and/or answer relevant questions in order to facilitate the decision-making process. EDs are expressly excused from discussions of their own compensation packages during Remuneration Committee meetings.
3. Mr. Poon Chung Yin Joseph retired as an INED effective from the conclusion of the 2025 AGM. The attendance figures shown for him reflect the number of meetings held during his tenure in 2025 and his attendance at those meetings.

During the year, EDs were full-time employees of the Company and devoted substantially all of their working time to the Company's affairs. NEDs and INEDs each spent an estimated 4 hours per Board meeting, 2 hours per Board Committee meeting and 1 hour for the annual general meeting, with the total annual time commitment varying according to the number of meetings attended and Board Committee appointments held. Committee chairmen spent an additional 2 hours for each committee meeting in preparation and follow-up in respect of their respective committees. The average annual hours contributed by NEDs and INEDs were approximately 36 hours per Director, with a range of 30 to 48 hours.

**Highly engaged Board with strong Chairman leadership.
Members are highly qualified and willing to contribute.**

Directors' comments received in 2025 Board Evaluation

Corporate Governance Report

Active Participation

During the year, the Board continued to operate effectively through the active engagement and participation of all Directors. Each Director devoted sufficient time and attention to Board matters, demonstrating high commitment by thoroughly considering Board papers, business proposals, and monthly updates from management prior to meetings. Directors contributed actively to discussions, raised relevant concerns, and exercised independent judgment in the discharge of their duties. Constructive advice and recommendations were provided to management on key operational and strategic matters, which enhanced decision-making processes and reinforced the Board's overall effectiveness in overseeing the Company's affairs.

Other Directorships

None of our Directors, individually, held directorships in more than three public companies (excluding Hysan) as at 31 December 2025, and all of them have confirmed that they devoted sufficient time to the affairs of the Company.

After reviewing each Director's other directorships, engagements with listed public companies and organisations, and other significant commitments, the Nomination Committee concluded that all Directors have dedicated sufficient time and made significant contributions to the Board during the year.

Other Offices and Commitments

Directors disclose to the Company the number and nature of offices held in listed public companies and organisations and other significant commitments, together with the respective time engagement involved, twice a year. They also inform the Company promptly whenever there are changes regarding their other offices and commitments.

Continuous Professional Development

Directors undertake continuous professional development ("CPD") training to keep abreast of the latest industry trends, and gain knowledge and skills concerning their respective areas of expertise and professions.

During the year, all Directors undertook ongoing professional development through readings, briefings and seminars provided by professional bodies and industry experts on fiscal and economic policies, capital markets and luxury retail etc. to develop and refresh their skills and knowledge on industry-related updates. Directors also received quarterly updates on legal and regulatory matters, including the Listing Rules and applicable laws and regulations, and had access to a comprehensive "Memoranda on Directors' Duties and Responsibilities" and other training materials required for discharging their duties via an online board portal. Directors are required to provide the Company with details of the CPDs undertaken from time to time.

While there are no prescribed training hours under the Listing Rules, considering the scope and scale of the Company's business, each Director is expected to complete at least eight hours of relevant training annually. All Directors have fulfilled this requirement for the year ended 31 December 2025. The training records maintained by the Company during the year, are as follows:

Directors	Areas					Total no. of hours
	Directors' Duties	Legal and Regulatory Update	Corporate Governance & Sustainability (including Climate Changes)	Financial Reporting/Risk Management & Internal Control	Macroeconomics/ Industry Trends	
Lee Irene Yun-Lien	B	B	A, B	A, B	A, B	23
Lui Kon Wai	B	B	A, B	A, B	A, B	23
Chung Cordelia	A, B	A, B	A, B	A, B	A, B	39
Churhouse Frederick Peter	A, B	A, B	A, B	A, B	A, B	25
Wong Ching Ying Belinda	A, B	A, B	A, B	A, B	A, B	27
Young Elaine Carole	A, B	A, B	A, B	A, B	A, B	24
Zhang Yong	B	B	A, B	A, B	A, B	23
Lee Anthony Hsien Pin	B	B	A, B	A, B	A, B	22
Lee Chien	B	B	A, B	A, B	A, B	23
Lee Tze Hau Michael	A, B	A, B	A, B	A, B	A, B	32

Notes:

A: Seminars/training courses/talks/other professional development presented by external professionals

B: Regulatory and compliance updates and other selected reading materials

In 2025, comprehensive training activities, including seminars, workshops and conferences, as well as regulatory updates relevant to the Company's business and their duties, were also provided to senior management and the Company Secretary. During the year, the Company Secretary completed no less than 15 hours of relevant professional training. These internal and external training programmes equipped them with the skills and knowledge necessary to fulfil their roles, support the sustainable growth of the Company, and understand their duties and responsibilities when acting as directors of subsidiaries and/or as senior management of the Company.

**Always rigorous & open.
Good contribution.**

Directors' comments received in 2025 Board Evaluation

Corporate Governance Report

BOARD PROCESSES

Meetings of the Board and Board Committees

The Board held five meetings in 2025, exceeding the minimum number of board meetings required under the CG Code. The Board Committees also met regularly during the year under review.

To facilitate Directors' participation and engagement, we typically schedule our Board and Board Committee meetings six months before commencement of the calendar year, giving Directors sufficient time to plan their schedule.

- Notice of at least 14 days is given to all Directors for regular Board and Board Committee meetings.
- Draft agendas for the Board and Board Committee meetings are circulated to all Directors at least three weeks before each meeting to provide Directors with an opportunity to include any other matters in the agenda.
- Agendas and meeting papers are uploaded to a private and secure digital board portal five days in advance of the intended date for regular meetings and reasonably in advance of any ad hoc meetings for sufficient preparation.
- Draft minutes of meetings of Board and Board Committees are circulated for comment as soon as practicable after the meetings.
- All signed Board and Board Committee minutes and resolutions are uploaded to the digital board portal for easy reference thereafter.
- Management and other department heads are invited to make presentations to the Board on operational topics during the year and to engage in open and in-depth discussions with the Board.
- Senior representatives from the valuer and the external auditor are invited to attend Audit and Risk Management Committee meetings for approval of the portfolio valuation and the interim and final results.
- The Audit and Risk Management Committee also holds private sessions with the external auditor and internal auditor, twice a year, to share observations and feedback on financial reporting, internal controls and risk management in a confidential setting without management present, thereby facilitating open and candid discussion.

The Directors also participate in the consideration and approval of matters of the Company by way of written resolutions circulated to them as necessary. Thorough analysis and supporting materials are posted on the digital board portal, followed by management's elaborations and discussions, primarily via the same portal.

Hybrid (physical and virtual) Board and Board Committee meetings were arranged by telephone and/or video conference to facilitate full participation in 2025. This technological connectivity continues to promote a high level of involvement and engagement at different levels of the business.

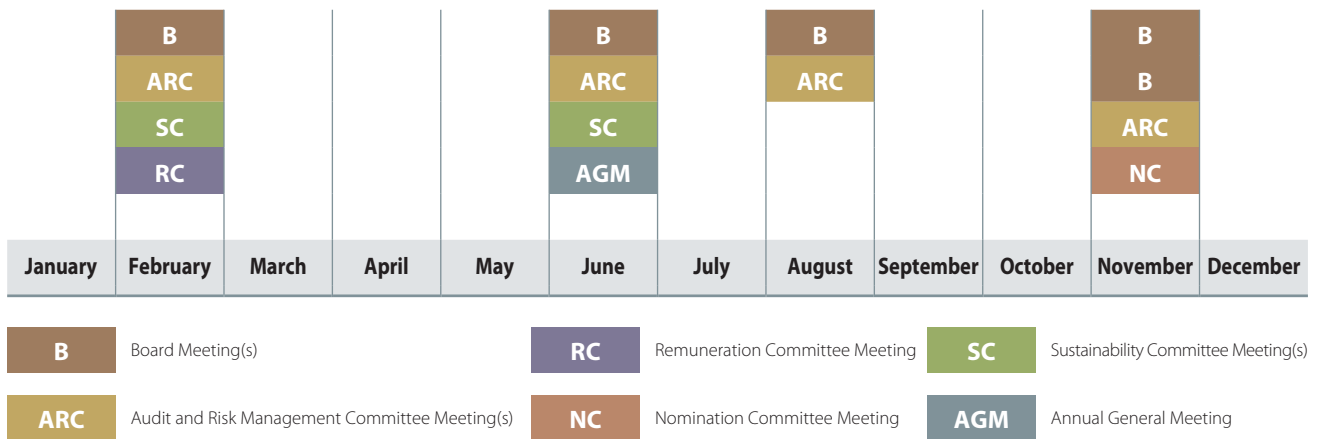
Strong governance, spread of experience, collegial, great teamwork, common goal, long term aspirations.

Directors' comments received in 2025 Board Evaluation

The use of the digital board portal enables timely and secure distribution of information to Directors and facilitates communication and interactions among Directors and senior management in a sustainable manner.



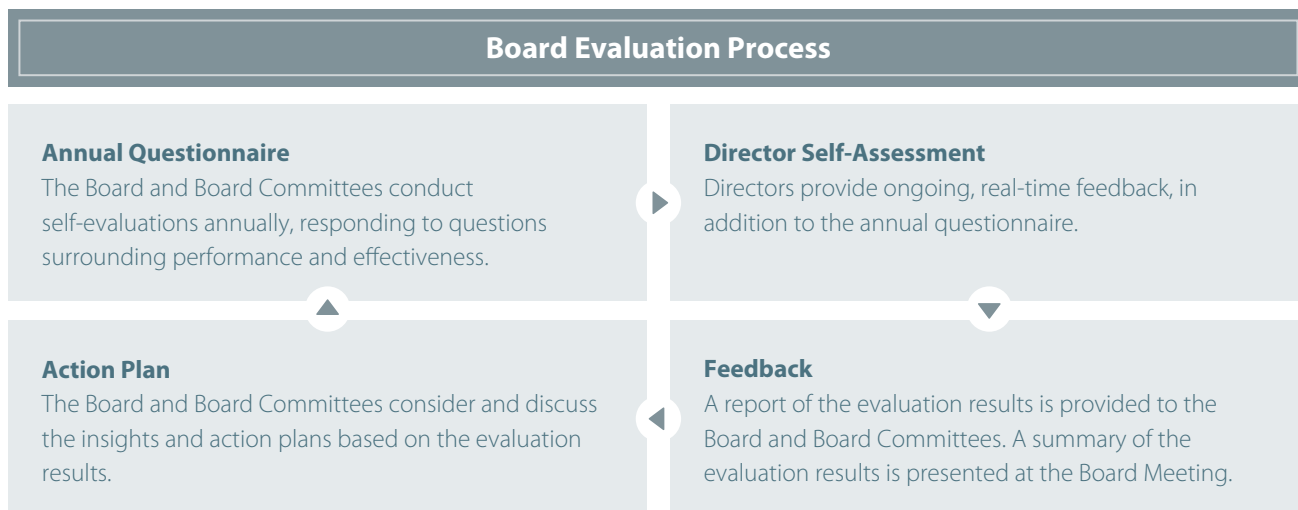
Board and Board Committee meetings in 2025



Corporate Governance Report

BOARD EVALUATION

Hysan's Board evaluation is an ongoing and continual process that is regarded as an important component of the mechanism to ensure independent views and input are available to the Board. In line with the CG Code, Board evaluations in the form of a structured questionnaire are conducted on annual basis. In addition to the ongoing review by the Nomination Committee, the Directors play an important role in evaluating the performance of the Board and its four Board Committees (namely, the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee, and the Sustainability Committee) to ensure the effectiveness of the Board.



Board Evaluation Process

Our Board evaluation process consists of an anonymous online questionnaire covering a broad range of topics, including performance, dynamics and processes, proceedings of meetings, composition and diversity of the Board and Board Committees, risk management, governance, stakeholder engagement, cyber security and sustainability (including climate-related matters), for completion by each Director. As the questionnaire is anonymous, Directors are encouraged to freely share comments, provide suggestions and raise any concerns in a candid and constructive manner.

2025 Board Evaluation

Consisting of both ratings and open-ended questions, the Board evaluation for the year ended 31 December 2025 ("2025 Board Evaluation") was structured to solicit Director's views on:

- the effectiveness and performance of the Board and Board Committees;
- areas for improvement; and
- future challenges and priorities of the Group.

The Company engaged an external legal advisor to review and assess the evaluation framework, including the development of assessment criteria and the questionnaire to safeguard the integrity of the review proceed and provide additional insights on the 2025 Board Evaluation results. The findings and analysis of the Board evaluation were conducted by the Legal and Secretarial Department.

In developing the evaluation framework, including the formulation of assessment criteria and the design of the questionnaire, the Board considered feedback and recommendations from a broad range of stakeholders, including regulators, investors, proxy advisors and Shareholders. Their views and concerns were duly taken into account and, where appropriate, incorporated into the evaluation framework to ensure that it remained sufficiently robust, relevant, and aligned with evolving stakeholder expectations and regulatory standards. This inclusive approach enabled the Board to assess not only its internal efficiency, composition, and overall effectiveness but also its responsiveness to stakeholder interests and its commitment to maintaining high standards of corporate governance.

Focus of the 2025 Board Evaluation



The 2025 Board Evaluation received a 100% response rate. The overall response was positive, and there were no material issues to report. Constructive qualitative feedback was received, particularly through the open-ended questions. All Directors are of the view that this evaluation process provides a timely opportunity to identify ways to enhance performance. A detailed report on the 2025 Board Evaluation was prepared based on the collective comments of all Directors, which was further submitted to, considered and discussed by the Board, with constructive feedback provided and follow-up actions identified, where appropriate.

2025 Board Evaluation Results

The Directors regarded the Board’s leadership as highly effective. Each Director actively and constructively contributed to shaping the Group’s strategy and corporate culture, providing valuable support to the Board in effective management and governance of the Company. The Board demonstrates a commendable level of diversity, with a balanced gender representation and a strong skills matrix encompassing a broad range of expertise and experience that supports the Company’s growth and development and is closely aligned with the Group’s strategic priorities, values and culture. The Board further confirms that, during the year, it complied with all applicable legal and regulatory requirements.

Corporate Governance Report

The Board recognises the importance of maintaining effective communication with Shareholders and other key stakeholders, and of ensuring that their views are heard and appropriately reflected in its deliberations. The Company maintains a range of stakeholder engagement channels, including general meetings, investor relations activities, analyst briefings and press conference, company website, dedicated shareholder and investor communication channels. Feedback received through these channels from Shareholders, investors, professional advisors, employees and other stakeholders is reported to the Board and its Committees as appropriate and is duly considered in the Board's discussions and decision-making processes, including in relation to strategy formulation, risk oversight and policy-setting.

Independent auditors attend each Audit and Risk Management Committee meeting and hold private sessions with Committee members to share observations and feedback on financial reporting, internal controls and risk management in a confidential setting that facilitates open and candid discussion. Letters received from major institutional investors outlining their policies, expectations and governance positions are reported to the Board, enabling Directors to understand and take into account the perspectives of key long-term Shareholders. In addition, feedback from analysts and credit rating agencies, together with reports on investor relations activities, are presented to the Board on a quarterly basis, providing regular insights into external market views and investor sentiment towards the Group. This structured reporting ensures that such views are appropriately reflected in the Board's assessment of strategy, risk and capital management, as well as in its broader decision-making.

The Directors reviewed the effectiveness of these stakeholder engagement arrangements and were satisfied that stakeholder perspectives are appropriately taken into account and embedded in the Board's oversight of the Group.

The 2025 Board Evaluation identified several key strengths of the Board, including the followings:

- Effective Board and Board Committees with well-defined roles and responsibilities.
- A diverse board comprising highly qualified members with exceptional skill sets that align with the Group's strategy and VMVs.
- Engaged and committed Board and Board committees' leadership providing strong stewardship and a collegial environment, with a clear commitment to the Group's long-term aspirations.
- Diligent and engaged Directors who actively participate and collaborate effectively, contributing positively throughout the year at all meetings.
- The Chairman fosters a culture of openness and transparency that encourages candid discussions. Board discussions are open, rigorous, and constructive, with a strong emphasis on strategic issues.
- Productive Board/Board Committee meetings with a good balance of open debate, high-quality discussions, and meeting efficiency.
- Independent views and input are available to the Board, ensuring comprehensive oversight.
- Sufficient access to all necessary resources and information, with adequate explanation provided by the management to facilitate decision making of the Board.
- A strong corporate governance pedigree within the Company, supported by highly engaged members who are willing to contribute and uphold independent oversight.

Directors further recognised the following challenges and areas for improvement:

- Geopolitical Uncertainty — Continuing geopolitical tensions may exacerbate challenges in the real estate market and in the broader economic environment.
- Resilience of Office and Retail Markets — Weak office and retail rental markets, coupled with potential shifts in consumer behaviour and preferences.
- Debt and Capital Management — The need to manage the interest rate risk and debt ratio effectively.
- Liquidity and Financial Stability — Ensuring liquidity and navigating continued commercial property market weaknesses.
- Portfolio Strategy Adjustments — Continued curation of the Group’s portfolio in response to the evolving market.
- Board Refreshment and Succession Planning — Addressing the need for Board refreshment and effective succession planning to maintain strong leadership and oversight.

Based on the findings of the 2025 Board Evaluation, and coupled with ongoing reviews by the Nomination Committee, the Board considered that Board effectiveness was ensured and maintained at all times during the year. The Board will continue to enhance its effectiveness in line with international best practices and in its sustained pursuit of excellent corporate governance.

ACCOUNTABILITY

DEFINING CLEAR LINES OF ACCOUNTABILITY

Our corporate governance structure provides clear lines of accountability.

The Board has the responsibility of ensuring that the Group is managed in a way that safeguards the interests of the Shareholders. Governed by the **Board of Directors Mandate**, Directors are required to act within their defined authorities and powers. The **Schedule of Corporate Matters Reserved for the Board** further specifies the matters that would affect the Company’s overall strategy, corporate governance, finances and Shareholders’ interests, which are reserved for decision and approval by the Board, whereas the roles and responsibilities of each Board Committees are set out under their respective written **Terms of Reference**. Authority for managing the Group’s daily operations and other decisions is delegated to the Executive Committee and supported by various Management Committees. Management of the Group is accountable for ensuring that a similar process of delegation is in place within his/her department or area of responsibility.

The Board is regularly kept up to date with the key events, material transactions, business outlook and financials of the Group through management reports and monthly financial reports. Offering comprehensive and balanced interim assessments between Board meetings, these reports provide the Board with sufficient transparency regarding the Company’s operations. To facilitate the decision-making process, senior management are regularly invited to our Board and Board Committee meetings to make presentations and answer any questions the Board and Board Committee members may have.

Corporate Governance Report

Board Accountability

The Board and Board Committees are held accountable and responsible to the Shareholders by various means:

- All Directors are appointed by formal letters of appointment, which clearly set out the terms and conditions of their appointments;
- All Directors are subject to rotation, and the re-appointment of retiring Directors is subject to Shareholders' approval at AGMs;
- All Directors are required to make full disclosure of their cross-directorships and other commitments in the Company's annual reports;
- All Directors are required to make full disclosure of any potential connected transactions, including those by their associates;
- Significant connected transactions must be approved by Shareholders in accordance with the Listing Rules and/or the full Board under Hysan's compliance policy, with connected transactions exempt under the Listing Rules required to be reported to and confirmed by the full Board after obtaining the Executive Committee's approval;
- All Directors are required to act within their defined authority and powers in accordance with the Group's corporate policies and guidelines, including but not limited to the Code of Ethics, Board of Directors Mandate, the Schedule of Corporate Matters Reserved for the Board and the terms of reference of each Board Committee;
- NEDs and INEDs are additionally subject to the relevant corporate governance policy on the Roles and Requirements of Non-Executive Directors and Independent Non-Executive Directors;
- All Directors are subject to ongoing review by the Nomination Committee as well as evaluation by other Board members;
- All Directors are subject to the Code of Ethics, Anti-Fraud Policy, Anti-Bribery and Corruption Policy and Whistleblowing Policy (which allows an individual to report any irregularity directly to an independent third party, in confidence);
- All Directors are required to review the annual reports, interim reports, announcements and circulars for publication in a timely manner and in accordance with applicable laws and regulations, e.g. the Companies Ordinance and the Listing Rules; and
- Financial statements of the Group are verified and audited by an independent external auditor.

Executives Accountability

The Executive Committee, Management Committees, and senior management of the Company (collectively the “Executives”) are held accountable and responsible to the Board by various means:

- Executives are required to make full disclosure of their other commitments;
- Executives are required to make full disclosure of their associates and any potential connected transactions, which may require full Board approval and/or the full Board’s review in accordance with Hysan’s compliance policy;
- Executives are required to report and send timely updates to the Board on the key events and business outlook of the Group and submit monthly financial reports to the Board so that sufficient transparency is provided about the Company’s operations;
- Executives are required to attend relevant sections of Board and Board Committees meetings to answer any questions that the Board and Board Committee members may have;
- Executives, by virtue of their office and duties, are regarded as potentially having access to inside information and are therefore subject to the Code for Securities Dealing by Restricted Employees, which governs dealings in the Company’s securities; and
- Each Executive is required to declare semi-annually that they have complied with the Code for Securities Dealing by Restricted Employees throughout the relevant period. Each Executive has made such declarations for the year ended 31 December 2025.

2025 BOARD ACTIVITIES

An outline of the key areas of Board activities during the year is provided below.

Strategy

- Reaffirmed the Group’s strategic objectives and Hysan’s strong, long-term commitment to Hong Kong, with continued disciplined execution of the strategic plan at the core Lee Gardens while continuing to build the diversified and complementary growth pillars.
- Discussed and scrutinised business strategy and opportunities to drive sustainable growth of the Group in response to structural changes in the industry.
- Reviewed the upcoming challenges faced by the Group and discussed the mitigations, including the strategic move to rejuvenate our core portfolio and curate the Lee Gardens area.
- Considered and approved the Group’s investment and development strategy, including rejuvenation and connectivity of the Lee Gardens area.
- Considered and approved the Group’s HK\$8 billion five-year capital recycling programme to strengthen financial position, optimise capital allocation and enhance long-term shareholder value.
- Reviewed recent business developments, industry trends and market outlook to ensure the Group’s strategy remains relevant and forward-looking.

Governance and Accountability

- Endorsed and proposed amendments to the Articles for Shareholders' approval to align with updates to the Companies Ordinance and Listing Rules, including provisions on treasury shares, electronic corporate communications to shareholders, electronic proxy submissions, electronic dividends, and other housekeeping changes.
- Reviewed, updated and approved key governance-related reports and policies to enhance our corporate governance practices and to align them with the proposed changes to the CG Code and Listing Rules, other relevant regulatory requirements and the latest market and international best practices. This included:
 - Schedule of Corporate Matters Reserved for the Board
 - Code of Corporate Governance
 - Onboarding Guideline for Directors
 - Roles and Requirements of Non-Executive Directors & Independent Non-Executive Directors
 - Shareholders Communication Policy
 - Anti-Bribery and Corruption Policy
 - Whistleblowing Policy
- Reviewed operational compliance with legal and regulatory requirements and related policies.
- Reviewed and approved continuing connected transactions and connected transactions.
- Reviewed and updated the terms of reference of Board Committees.
- Considered and discussed feedback on the 2025 Board Evaluation, the evaluation process and the insights and action plans, as appropriate.
- Reviewed the reports from the chairs of all Board Committees, including updates on the proceedings of their meetings, key discussion points and areas of concern.
- Approved proposed resolutions to be put forward to the AGM and the publication of a related circular.

Financial, Operational and Business Performances

- Considered the financial performance of the business.
- Considered and approved the annual budget and treasury policy.
- Reviewed the interim and annual results and approved the interim and annual reports.
- Approved and declared the payment of the first and second interim dividends.
- Reviewed and discussed financial forecasts and capital structure management.
- Reviewed operating results and regular updates of the Group's core businesses (i.e. office, retail, residential and property development segments) and pillars.

Risk Management and Internal Controls

- Reviewed the Group's risk appetite and assessed external and internal risk level movements and mitigating actions.
- Reviewed the effectiveness of Hysan's risk management and internal control systems.
- Met with the Company's valuers regularly during the year to discuss the portfolio valuation.
- Reviewed the major risks the Group faces, including but not limited to the risks related to climate change and cyber security threats.
- Reviewed and considered the Group's cyber security framework.

Remuneration and Incentives

- Reviewed and evaluated Directors' fees.
- Reviewed compensation for the senior management.
- Reviewed staff development plans.

Sustainability

- Reviewed the Group's sustainability strategy and framework and the associated corporate targets.
- Reviewed the progress update of carbon emission targets and the decarbonisation roadmap of the Group as part of climate-related oversight.
- Reviewed the Sustainability progress update on a quarterly basis.
- Review of regulatory changes and related updates to policies and guidelines.
- Review of major community programmes and internal training initiatives delivered during the year.
- Considered and approved the Sustainability Report.
- Reviewed the management's ongoing monitoring of sustainability risks and issues, in particular climate-related risks and opportunities.
- Reviewed the adequacy of resources of the Group's Sustainability functions.

Board Composition

- Reviewed the Board's structure, size, composition, skills matrix, diversity, Directors' time commitments and contributions, and the independence of the INEDs.
- Considered and approved the Board's refreshment and changes in Board Committees' composition.
- Reviewed and monitored the training and continuous professional development of Directors and senior management.

Corporate Governance Report

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"), are set out below:

Aggregate Long Positions in Shares and Underlying Shares of the Company

Name	Number of ordinary shares held				Total	% of the total no. of issued shares (Note)
	Personal interests	Family interests	Corporate interests	Other interests		
Lee Irene Yun-Lien	607,562	–	–	–	607,562	0.059
Lui Kon Wai	27,092	–	–	–	27,092	0.002
Young Elaine Carole	11,000	–	–	–	11,000	0.001
Lee Chien	1,100,000	98,000	–	–	1,198,000	0.116
Lee Anthony Hsien Pin	851	–	–	–	851	0.00008

Note:

The percentages were computed based on the total number of issued shares of the Company as at 31 December 2025 (i.e. 1,027,008,223 ordinary shares).

Aggregate Long Positions in Debentures

- I. US\$750,000,000 Subordinated Guaranteed Perpetual Capital Securities issued by ELECT GLOBAL INVESTMENTS LIMITED ("Elect Global"), a wholly owned subsidiary of the Company ^(Note)

Name	Amount of Debentures				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Lee Irene Yun-Lien	US\$3,000,000	–	–	–	US\$3,000,000
Lee Chien	–	US\$400,000	–	–	US\$400,000

Note:

These debentures were issued by Elect Global in March 2025.

- II. US\$17,000,000 Subordinated Guaranteed Fixed Rate Notes issued by Elect Global ^(Note)

Name	Amount of Debentures				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Lee Irene Yun-Lien	US\$2,000,000	–	–	–	US\$2,000,000

Note:

These debentures were issued by Elect Global in September 2025.

EDs have been granted (i) share options under the Company's share option scheme adopted on 10 May 2005 (the "2005 Share Option Scheme") and/or the scheme adopted on 15 May 2015 (the "2015 Share Option Scheme"); and (ii) share awards under the Company's share award scheme adopted on 19 January 2024 (the "2024 Share Award Scheme"). Please refer to the section "Long-term Incentives: Share Schemes" on pages 129 to 134. These constitute interests in underlying shares of equity derivatives of the Company under the SFO.

Apart from the above, as at 31 December 2025, no other interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations as defined in the SFO were recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the securities transactions of the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

DIRECTORS' DISCLOSURE ON CONFLICTS OF INTEREST

The Board has a process in place for regularly reviewing and resolving situations where a Director may have a conflict of interest.

To ensure compliance with disclosure requirements on potential conflicts of interest, all Directors are required to disclose to the Board the following information in relation to their interests upon appointment and on an annual basis:

- The number and nature of offices they hold in public companies or organisations and other significant commitments (if any) and their time engagements (immediately if there is any change);
- Their interests in contracts with the Group; and
- Whether he or she has an interest in any business that competes with the Group.

In addition, all Directors are required to declare the nature and extent of their interests, if any, in any transaction, arrangement or other proposal to be considered by the Board.

In 2025, all Directors fulfilled the above disclosure requirements. No potential conflict of interest was determined by the Board to be material, except for the continuing connected transactions and connected transactions as disclosed in the Directors' Report on pages 155 to 157, which were reviewed in the Board meeting in February 2026.

Directors' Interests in Contracts

During the year, certain Directors had interests, directly or indirectly, in contracts with the Group. These contracts constituted related party transactions, continuing connected transactions, connected transactions or contracts of significance under applicable accounting or regulatory rules. Details are disclosed in the "Directors' Report".

Directors' Interests in a Competing Business

The Group is principally engaged in property investment, development and management of high-quality investment properties in Hong Kong. No Director (excluding INEDs in accordance with Listing Rules disclosure requirements) was considered to have interests in other activities that compete or are likely to compete with the core business of the Group, within the meaning of the Listing Rules.

Corporate Governance Report

OUR RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control

Our risk management and internal control framework forms an essential part of our Governance Framework.

The Board has the overall responsibility of maintaining an effective and robust risk management and internal control system, determining the Group's risk appetite, and putting controls in place to mitigate risks in line with our long-term and strategic goals and targets.

With the support of the Audit and Risk Management Committee and the internal audit function, the Board oversees and reviews the Group's risk management and internal control system on an on-going basis, adopts appropriate policies and reviews the effectiveness of the systems at least annually in respect of the relevant financial year. The roles and responsibilities of each function/business unit are underpinned by the "Three Lines of Defence" model, with the first line to identify and manage risks, the second line to oversee the management of risks, and the third line to assess and advise on risk controls.

Details of our Risk Management and Internal Control Framework and activities during the year are set out in the "Risk Management and Internal Control Report" on pages 108 to 116.

Internal Audit

The internal audit function is carried out by the Group Internal Audit Department ("GIA"), which serves as the third line of defence independent of management and directly reports to the Audit and Risk Management Committee.

The GIA plays a major role in providing independent and objective assurance on risk management and internal controls as well as practices and procedures of the Group in conducting business, including the leasing business, accounting and financial reporting, and corporate communications processes, from time to time. The GIA is responsible for ensuring that our business affairs are conducted in full compliance with our corporate policies and guidelines. The GIA also examines and suggests areas of improvement for our corporate policies and guidelines.

Details of our internal audit activities during the year are set out in the "Risk Management and Internal Control Report" on page 116.

Operation Control

Our business is operated through a clear chain of delegation of authority and responsibility, from the Board to the Executive Committee and from the Executive Committee to the responsible business units.

To set out clear lines of accountability and maintain effective control, the Group has adopted comprehensive corporate policies and guidelines detailing our practices and procedures in carrying out our business. Key policies, guidelines and procedures are reviewed annually to ensure they are up to date and able to address the latest business developments and risks that the Group's operation faces.

Heads of business and supporting units are the risk managers and first line of defence to ensure full compliance with all applicable corporate policies and guidelines in their day-to-day operations. Heads of control functions, as the second line of defence, are responsible for enforcing and monitoring the effectiveness of internal controls and ensuring risks are effectively managed in accordance with the risk monitoring and assessment process.

Our Group's compliance policy sets out the control process for the early identification and recording of non-compliance in order to prevent and/or mitigate risks and potential loss. Each business unit, support unit and control function is required to report any irregularity or non-compliance immediately to the compliance team and submit a full compliance report twice a year, which will then be reported to the Audit and Risk Management Committee for confirmation.

The Group's reporting process and financial management are also part of our internal controls. The Board, supported by the Audit and Risk Management Committee, monitors the integrity of the Group's reporting process and financial management. It scrutinises the full- and half-year financial statements and reviews in detail the work of the external auditor and external valuer, as well as any financial judgements and estimates made by the management.

In addition, our Legal and Secretarial Department issues quarterly legal and regulatory updates to the Board and reviews and updates our corporate policies and guidelines regularly to ensure compliance with the latest legal and regulatory requirements and international best practices, incorporating any suggestions from the GIA.

Through these means, we are able to effectively monitor compliance, prioritise each case identified, and ensure accurate reporting and timely follow-up.

Financial Reporting

The Board acknowledges its responsibilities for:

- preparing financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and that of the Group at the end of the financial year and of their respective profit or loss for the year then ended, in accordance with Hong Kong Financial Reporting Standards, the Listing Rules and the Hong Kong Companies Ordinance;
- selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent, fair and reasonable;
- ensuring compliance with accounting standards and stating the reasons for any significant departure from accounting standards;
- preparing the financial statements on a going concern basis, unless it is not appropriate to presume the Company and the Group will continue in business for the foreseeable future; and
- keeping proper accounting records for safeguarding the assets of the Company and of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Inside Information

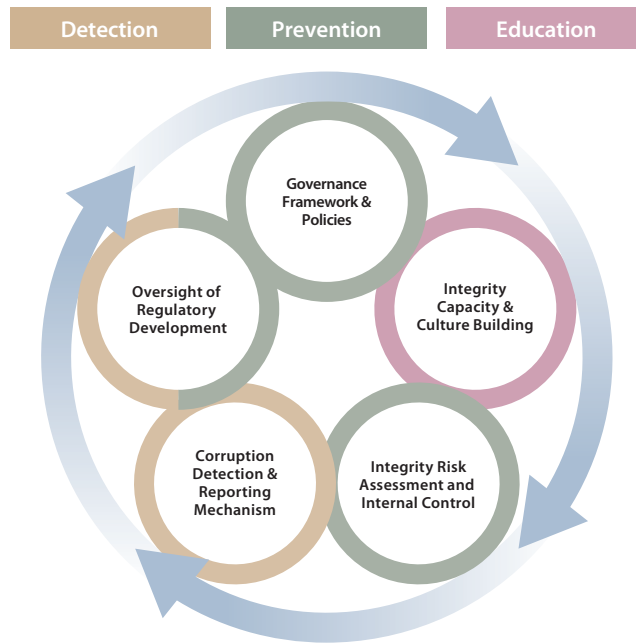
The Group adopted the Corporate Disclosure Policy in 2013 which sets out the procedures for identifying, handling and disseminating disclosable information, including inside information and any other information required to prevent a false market in the Company's securities. This policy also identifies spokespersons and clearly outlines the responsibilities for communication with each stakeholder group. Details are available on the Company's website: www.hysan.com.hk/governance.

A Disclosure Committee was also established to oversee and ensure the timely, accurate, complete and fair dissemination and disclosure of such information in accordance with applicable laws, regulatory requirements and the Corporate Disclosure Policy.

For any matter involving potentially price sensitive or inside information, business units are required to escalate the matter to the Disclosure Committee. The Disclosure Committee will assess the materiality and nature of the information and advise the Board promptly whether such information constitutes inside information, and, if so, on and the necessary disclosures and/or appropriate follow-up actions to ensure that any inside information is disclosed to the public as soon as reasonably practicable. All discussions are recorded in the formal meeting minutes of the Disclosure Committee for the Board's inspection upon request.

INTEGRITY AND ANTI-CORRUPTION MANAGEMENT

Hysan is committed to upholding the highest standards of integrity, ethical conduct and accountability across the Group. Integrity risk management forms a core part of our governance framework, with policies, procedures and oversight mechanisms in place to prevent, detect and respond to misconduct, malpractice and corruption. The Audit and Risk Management Committee exercises oversight of integrity related risks and receives regular updates from management on key developments in this area.



Governance Framework and Policies

The Group has established a comprehensive set of integrity related policies that collectively form the foundation of our integrity and anti-corruption management system. These include the Code of Ethics, Anti-fraud Policy, Anti-Bribery and Corruption Policy, and Whistleblowing Policy. Together, these policies set clear expectations on probity and ethical behaviour, outline the standards of conduct expected of all staff and business partners, and reinforce our top-level commitment to adopt ethical, transparent and corruption-free business practices with zero tolerance to corruption.

Specifically, the Whistleblowing Policy provides employees and external parties with secure and confidential channels to report suspected misconduct, malpractice or irregularities. Reports are handled independently, with clear procedures in place to protect whistle blowers and ensure timely investigation and escalation to relevant authorities where appropriate.

All policies and procedures are reviewed periodically to maintain continued relevance and effectiveness, taking into account evolving regulatory and governance expectations.

Risk Assessment and Internal Controls

Integrity and corruption-related risks are incorporated into the Group's annual risk assessment process. GIA maintains a comprehensive risk register covering all key risk categories and conducts regular assessments across business units to identify emerging risks, evaluate the risk ratings and review the effectiveness of existing controls. These assessments support the Group's approach to proactively identifying and mitigating business and operational risks in daily operations including integrity and corruption risks.

The results of these assessments are reported to the Audit and Risk Management Committee and used to strengthen our internal controls and oversight processes.

Integrity, Capacity and Culture Building

Recognising that strong governance depends on both systems and culture, the Group adopts a systematic approach to integrity capacity building. Training and leadership communication help embed integrity prioritised values into the corporate culture and reinforce transparency, accountability and ethical conduct.

INTEGRITY AND ANTI-CORRUPTION MANAGEMENT (continued)

All employees receive regular training on integrity and anti-corruption requirements, including mandatory annual refresher e-learning on key legal and compliance topics, supplemented by annual compliance reminder on newly adopted or updated policies and procedures. In addition, all employees received mandatory integrity training delivered by the Hong Kong Independent Commission Against Corruption (“ICAC”).

These initiatives are designed to reinforce leadership commitment, strengthen ethical decision making and ensure that employees understand their responsibilities, can identify potential red flags, and know how to raise concerns through appropriate channels.

Oversight of Regulatory Developments

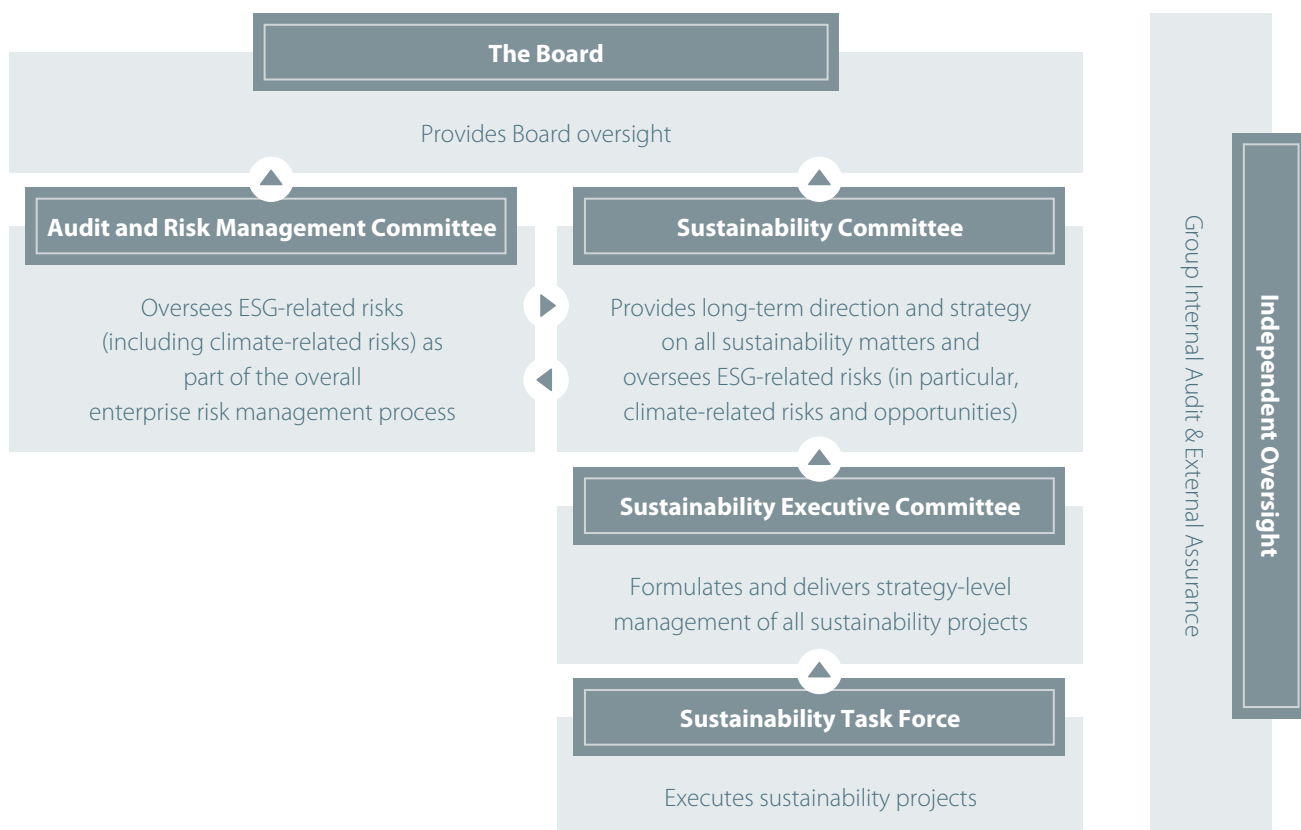
The Group closely monitors evolving regulatory expectations in Hong Kong and other relevant jurisdictions. In particular, we are monitoring the development of the Integrity Compliance Management System (“ICMS”) being prepared by the ICAC, which is expected to be published in 2026. Based on a preliminary review against the high level ICMS framework already published, the Group considers that its existing policies and practices meet the majority of the indicative ICMS framework. Further enhancements will be considered following the issuance of the detailed ICMS guidelines, with relevant elements integrated into the Group’s risk management and internal control systems as appropriate.

No regulatory breaches or confirmed cases of misconduct, malpractice or irregularity were reported in 2025.

SUSTAINABILITY

Sustainability Governance

A governance framework is crucial for the successful delivery of our sustainability strategy. The Board has the overall responsibilities for sustainability matters and established the Sustainability Committee in 2020 to support the Board in overseeing the Group’s corporate responsibility, sustainable development and climate change positions.



Corporate Governance Report

The Sustainability Committee is primarily responsible for overseeing, assessing, and managing any ESG-related risks and issues (in particular, climate-related risks and opportunities), as well as bringing any such risks to the attention of the Board and the Audit and Risk Management Committee. As part of the Group's overall risk management framework, any ESG and climate-related risks identified by the Sustainability Committee will be integrated into our overall enterprise risk management process, using the same set of risk assessment criteria.

In 2025, the Sustainability Committee held two meetings and received quarterly updates from the management on the sustainability performance of the Group (with dedicated sessions on climate-related risks and opportunities). To enhance its monitoring of progress on climate change initiatives, an additional meeting was held in June 2025, primarily to review and discuss the Company's carbon emission target and decarbonisation roadmap.

In view of the new ESG and climate-related requirements and the complexities of these issues, the composition of the Sustainability Committee was reviewed by both the Board and the Nomination Committee to ensure that appropriate skills and competencies are available to respond to the latest regulatory requirements and climate-related risks and opportunities:

- Leveraging her extensive experience in real estate and hospitality, Ms. Young Elaine Carole, as the chairman of our Sustainability Committee, demonstrates a profound understanding of sustainable practices as well as strategic insight into sustainable property investments and development. Her experience is invaluable in overseeing the transformative sustainability initiatives within the Lee Gardens portfolio, particularly those focused on property development and facilities management, ensuring alignment with industry best practices and our sustainability goals. Her co-chairmanship at The Mekong Club, a non-profit organisation dedicated to combatting modern-day slavery, also highlights her deep commitment to social responsibility and the promotion of ethical business practices. Ms. Young's commitment extends to collaborating with climate-related organisations. With her insights on emerging climate-related challenges and opportunities, Ms. Young is well-positioned to lead our Sustainability Committee in overseeing strategies that effectively address sustainability and climate-related risks and drive sustainable progress.
- Ms. Wong Ching Ying Belinda is a passionate and experienced sustainability leader dedicated to driving environmental and social impact. Under her leadership, Starbucks launched its first Greener Stores outside North America and became one of the first coffee retailers in China to pilot a water replenishment project. She led efforts to redefine sustainable retail through store design, energy-efficient technologies, responsible sourcing, and waste reduction initiatives. She advanced supply chain sustainability by improving manufacturing and logistics efficiency and reducing environmental impact. Housing the most energy-efficient coffee manufacturing and distribution center, the Starbucks Innovation Park set a new benchmark for sustainability in China. She also oversaw initiatives to uplift underprivileged communities and support local coffee farmers. Ms. Wong contributes meaningfully to the Sustainability Committee, bringing deep expertise and a proven track record in driving impactful ESG strategies.
- Mr. Lee Tze Hau Michael actively participates in social and philanthropic services, devoting himself to equestrian sports and promoting corporate social responsibility and corporate governance through his involvement in various public companies and organisations. Serving previously as the chairman of the Board of Stewards of The Hong Kong Jockey Club, one of the world's largest charity contributors supporting a wide range of community projects spanning sports, arts, culture, education, medical, and social welfare, his experience and track record in driving social and community initiatives, promoting sustainable practices that foster community well-being, complement Hysan's sustainability focus on community engagement. Mr. Lee is an invaluable asset for steering our sustainability initiatives towards long-term success and ensuring our charitable efforts create meaningful impact for the community.

The Board and the Nomination Committee are of the view that the composition of our Sustainability Committee demonstrates a holistic approach to sustainability by integrating environmental concerns with impactful social initiatives aimed at achieving long-term success in our sustainability endeavours.

The management level Sustainability Executive Committee and the operational level Sustainability Task Force ensure that the Group's sustainability and climate-related strategies and practices are integrated into the Group's operations. They are also responsible for assisting the Board and the Sustainability Committee in identifying targets, exploring new initiatives and managing any ESG and climate-related risks.

The Sustainability Executive Committee, led by Mr. Lui Kon Wai, our ED & COO, is responsible for formulating the Group's sustainability strategies, including the roadmap to achieve net zero emissions and key stakeholder engagement campaigns. Hysan has enhanced energy management, increased efficiency, and strengthened climate resilience across its core portfolio. The sustainable construction and green building design at Lee Garden Eight demonstrate the Company's decarbonisation efforts through MiMEP implementation and climate-resilient design. Mr. Lui also oversees the community business model that guides the transformation of the Lee Gardens area, integrating sustainability principles while creating an inclusive urban environment. His leadership is pivotal to Hysan's commitment to addressing climate-related risks while advancing the Company's environmental and social objectives.

Sustainability Performance

During the year, the Board continued to further our sustainability strategy with a Community Business Model that focuses on environmental operations management and sustainable construction for our new developments and major enhancement works, as well as offering various social sustainability initiatives to our community.

Details of Hysan's sustainability framework and activities during the year are set out in the following:

- Sustainability Report 2025 available on Hysan's website: www.hysan.com.hk.
- The "Sustainability Committee Report" on pages 141 to 145.
- A summary of the Sustainability Report on pages 146 to 150.

The Sustainability Report is distributed electronically to reduce resources consumed in the printing and distribution of hard copies. It is available for public viewing on Hysan's website (www.hysan.com.hk) and the Stock Exchange's website (www.hkexnews.hk). Limited copies are printed and distributed primarily to our Shareholders.

ENGAGEMENT

Hysan believes that continual engagement and two-way communication are the key to building trust and understanding between the Company and its stakeholders. We attach great importance on regular engagement with our stakeholders, including Shareholders, investors, employees and the wider community. Through a range of communication channels that encourage open and candid dialogue, we articulate our VMVs, keep our stakeholders informed about our business strategies and outlook, and listen carefully to their views and concerns so that stakeholder feedback is appropriately reflected in our discussions and decision-making.

SHAREHOLDERS ENGAGEMENT

Hysan maintains an open and constructive dialogue with its Shareholders and provides them with the information necessary to make sound investment decisions. Feedback from Shareholders and investors on policies, expectations and governance views are summarised and reported to the Board regularly, so Directors can take the perspectives of key long-term Shareholders into account.

Shareholder Communication Policy

The Company recognises the importance of communication with Shareholders and investors and has adopted the Shareholder Communication Policy, which governs our framework for providing Shareholders with ready, equal and timely access to balanced and easily comprehensible information about the Company.

Corporate Governance Report

Shareholder communication and engagement channels are shown in the table below:

Channels	2025 Highlights
Hybrid AGM	<ul style="list-style-type: none"> All Directors attended the 2025 AGM in person Shareholders could attend the 2025 AGM in person or online Questions could be submitted in advance of the 2025 AGM and/or in person or online during the AGM Shareholders could vote in real-time through the online platform
Investor relations activities	<ul style="list-style-type: none"> Led by the CFO and Investor Relations Department Engaged over 300 equity and fixed income investors and equity research analysts globally via earnings calls, conferences, roadshows and meetings Attended seminars organised by the investment community
Analyst briefings and press conference	<ul style="list-style-type: none"> Led by the Chairman, ED & COO, CFO, Investor Relations Department and Corporate Communications Department Attended by media, analysts and institutional investors Coverage of the Group's interim and annual results
Corporate communications ^{Note}	<ul style="list-style-type: none"> Approximately 50 corporate communications documents (including annual report, interim report, sustainability report and various announcements and notices) were published on the websites of the Stock Exchange and the Company
Company website	<p>Contains:</p> <ul style="list-style-type: none"> Hysan's corporate governance and sustainability policies Latest financial highlights and shareholder information Updated list of Directors with their roles and functions and whether they are INEDs Analyst briefings webcast and materials Publications and press releases Other information such as upcoming investor events, financial calendar and share price data
Social media	<ul style="list-style-type: none"> Provide investors and other stakeholders with regular updates on our initiatives relating to our businesses and community
Dividend information	<ul style="list-style-type: none"> Dividend payment history available on Company's website Dividend policy and the Board's dividend decisions are disclosed under "Dividend Policy" in the Annual Report
Policies and guidelines	<ul style="list-style-type: none"> The Shareholders Communication Policy ensures that Shareholders and the investment community receive, equal and timely access to balanced and easily comprehensible information about the Company for making sound investment decisions and informed assessments of the Company, and to allow Shareholders and the investment community to engage with the Company, while ensuring that the Company fulfils its reporting obligations under the Listing Rules The policy is regularly reviewed to ensure its effectiveness and is available on the Company's website: (www.hysan.com.hk/governance/group-policies-and-governance-guidelines/)

Note:

The term "corporate communications" refers to all "corporate communications" as defined in the Listing Rules, including without limitation, Interim/Annual Reports, notices, circulars and proxy forms of the Company.

All Shareholders are welcome to provide their feedback and views on various matters affecting the Company to the Directors or senior management through the Company Secretary. Enquiries will be promptly addressed by the appropriate Board Committees or the Board, if necessary. For enhancing communication, proxy advisors are proactively engaged on the latest corporate governance trends, particularly with regard to shareholder engagement.

The Shareholder Communication Policy, its implementation and effectiveness was reviewed and updated in November 2025, and it was confirmed that the policy had been effectively implemented throughout the year ended 31 December 2025.

REPORTING AND TRANSPARENCY

Hysan commits to maintaining a high standard of transparency and keeping Shareholders and other stakeholders abreast of the Company's financial and non-financial performance as well as its strategy and outlook. The Group ensures timely, transparent and accessible communication by publishing:

- its interim and annual reports within three months of the financial period/year end;
- announcements (and circulars, where required) on material information or developments as required by the Listing Rules and/or the SFO, or voluntarily as the Board considers appropriate;
- in accordance with the requirements of the Listing Rules, all Corporate Communications on the Company's website, biographies of the Directors and the senior management, business and sustainability developments, the governance structure, financial calendar, and other news and developments at Hysan; and
- press releases, presentation materials and webcasts on the Company's website, in conjunction with the Company's AGM and results announcement.

To enhance communication efficiency and promote environmental protection, the Company adopts electronic dissemination of corporate communications, as permitted by applicable laws and regulations.

This includes:

Electronic Distribution — Corporate Communications will be sent to Shareholders by electronic means.

Website Accessibility — Corporate Communications will be made available on both the Company's website and the Hong Kong Stock Exchange website (www.hkexnews.hk), unless hard copies are otherwise requested.

Individual Distribution — Actionable Corporate Communications (as defined under the Listing Rules) will be distributed either (i) individually in electronic form; or (ii) in hard copy for those Shareholders who have not provided their electronic contact details.

Details regarding the arrangements for electronic dissemination and how to request hard copies are available on the Company's website.

All corporate communication with Shareholders are written in plain languages in both English and Chinese. Shareholders have the right to choose their preferred language (English or Chinese) and/or means of receipt (print or electronic), free of charge, at any time, with reasonable notice in writing, to the Company or the Company's registrar or by e-mail to hysan14-ecom@vistra.com or cosec@hysan.com.hk, respectively.

DIVIDEND POLICY

The Company is committed to creating long-term shareholder value by providing dividends. All Shareholders are entitled to receive dividends according to our Dividend Policy.

In general, dividends will be evaluated and decided by the Board semi-annually at the time when the interim results and annual results are approved. In determining the appropriate amount of a dividend, the Board decision will be based on key factors including:

- prevailing financial performance and cash earnings;
- business conditions and outlook;
- capital commitments on operation and investment projects; and
- growth strategy, capital allocation and productivity.

The financial calendar and dividend-related dates for the year ended 31 December 2025 are set out in "Shareholder Information" on page 242.

Information about dividend payments, amounts and key dates is set out on the Shareholder Information (Dividend Information) section of the Company's website: (www.hysan.com.hk/investor/shareholder-information/).

Corporate Governance Report

SHAREHOLDERS' RIGHTS

The Board is committed to treating all Shareholders equitably and fairly. The rights of our Shareholders are well recognised and include:

- the right to receive declared dividends and to vote and attend general meetings; and
- the right to convene general meetings and to put forward proposals for consideration at general meetings.

A general meeting of Shareholders can also be convened by the Board or via a written request signed by Shareholders holding at least 5% of the total voting rights of all the Shareholders. The Group's Procedures for Shareholders to Convene General Meetings/Put Forward Proposals, as well as the relevant contact details, are available on the Company's website: www.hysan.com.hk/governance/group-policies-and-governance-guidelines.

GENERAL MEETINGS

Hysan's AGMs are usually held in May or June each year. Serving as a key communication channel for our Shareholders, the AGM provides them with the opportunity to understand the business performance of the Company. Our Board members, in particular the INEDs and the chairmen of Board Committees, senior management and external auditors, attend the AGMs and engage with our Shareholders to understand their feedback and answer questions.

To ensure our Shareholders have sufficient time to consider the proposed resolutions, AGM notices, circulars and other documents, are dispatched to Shareholders more than 30 days prior to the AGMs. Comprehensive information is also given on each resolution to be proposed. Appropriate arrangements for the general meetings are also in place to encourage Shareholders' participation, including the option for members to attend virtually with the use of technology, and to cast votes by electronic means.

Since 2004, all votes at AGMs have been taken by poll. The poll is conducted and scrutinised by the Company's registrar. Procedures for conducting the poll are explained at the AGMs prior to the taking of the poll. Poll results and Directors' attendance at the AGM are announced and posted on the websites of both the Stock Exchange and the Company.

2025 Hybrid AGM

The 2025 AGM was held in a hybrid format on 5 June 2025, allowing Shareholders to attend the meeting in person at the Principal Meeting Place, the Hong Kong Convention and Exhibition Centre at 1 Expo Drive, Wanchai, Hong Kong, or to join via the live online webcast system ("Online AGM"). Shareholders attending the Online AGM were also counted towards the quorum.

The Online AGM, which allows Shareholders to view the live proceedings of the AGM, submit questions by text to the interactive platform for Q&A, call to raise questions and vote online in real-time, offers Shareholders the same participation and voting rights as those attending in person. Shareholders are encouraged to make use of the Online AGM to view the live meeting proceedings and participate in voting.

Hybrid AGMs promote inclusivity, engagement and transparency, facilitate Shareholders' participation by providing convenient access and overcoming geographical constraints and space limitations, and protect Shareholders' right to attend and vote at general meetings. The Online AGM enabled our Shareholders to participate in the 2025 AGM from anywhere with an internet connection and to meet our Board members, senior management and auditors of the Company. This arrangement has also broadened the reach of the AGM and provided flexibility to Shareholders who do not wish to attend in person or for other overseas Shareholders who are unable to attend in person.

Key matters resolved at the 2025 AGM included:

- Receipt of the Statement of Accounts for the year ended 31 December 2024 and the Reports of the Directors and Auditor thereon;
- Re-election of Mr. Churchouse Frederick Peter as Director;
- Re-election of Ms. Young Elaine Carole as Director;
- Re-election of Mr. Zhang Yong as Director;
- Re-election of Mr. Lee Anthony Hsien Pin as Director;

- Re-election of Mr. Lee Tze Hau Michael as Director;
- Re-appointment of Deloitte Touche Tohmatsu as Auditor;
- Granting of a general mandate to allot, issue and deal with additional shares in the Company (not exceeding 10% of the number of its issued shares, and the discount for any shares to be issued shall not exceed 10%); and
- Granting of a general mandate to repurchase shares in the Company (not exceeding 10% of the number of its issued shares).

All resolutions proposed at the 2025 AGM were passed by the Shareholders.

2026 AGM

The 2026 AGM will be held on 5 June 2026. Details of the meeting are set out in the notice of the 2026 AGM, which constitutes part of the circular to Shareholders sent together with this Annual Report. Notice of the 2026 AGM and the proxy form are also available on the websites of both the Stock Exchange and the Company.

INVESTOR RELATIONS

Hysan is committed to maintaining open and constructive dialogue via two-way communication with its stakeholders, as well as fixed-income investors, analysts and credit rating agencies.

We provide regular updates on Hysan's operating and financial performance through a variety of channels to keep our stakeholders informed about the business environment and how the Company responded to risks and challenges. Virtual and face-to-face meetings and conference calls with institutional investors as well as live webcasts and press conference for our post-results briefing were held regularly by our senior management to provide updates on our strategy and performance and to listen to stakeholders' views and concerns. These ongoing engagements help ensure that stakeholder feedback is clearly heard and appropriately reflected in the Board's discussions and decision-making.

A dedicated Investor section with timely updates on the Company's business performance and key developments is also available on the Company's website: www.hysan.com.hk/investor.

Calendar of our Main Investor Relations Events

2025 1st Half	2025 2nd Half
<ul style="list-style-type: none"> • Annual results announcement <ul style="list-style-type: none"> – Press conference – Analyst briefing (live webcasts were also available) • Post-results non-deal roadshows • Deal roadshows • Annual General Meeting • Investor conferences • Property tours 	<ul style="list-style-type: none"> • Interim results announcement <ul style="list-style-type: none"> – Press conference – Analyst briefing (live webcasts were also available) • Post-results non-deal roadshows • Property tours

CONSTITUTIONAL DOCUMENTS

The Company did not make any changes to its constitutional documents during the year ended 31 December 2025. The up-to-date consolidated version of the Company's constitutional documents is available on the websites of both the Stock Exchange and the Company.

By Order of the Board
Lee Irene Yun-Lien
 Chairman

Hong Kong, 26 February 2026

Risk Management and Internal Control Report

RESPONSIBILITY

Responsibility for risk management is shared between the Board and the management of the Group. The Board has overall responsibility for reviewing and maintaining a sound and effective risk management and internal control systems. Management's role is to design and implement these systems and to report to the Board and the Audit and Risk Management Committee on the identification and management of risks. This process is crucial for achieving the Group's business objectives.

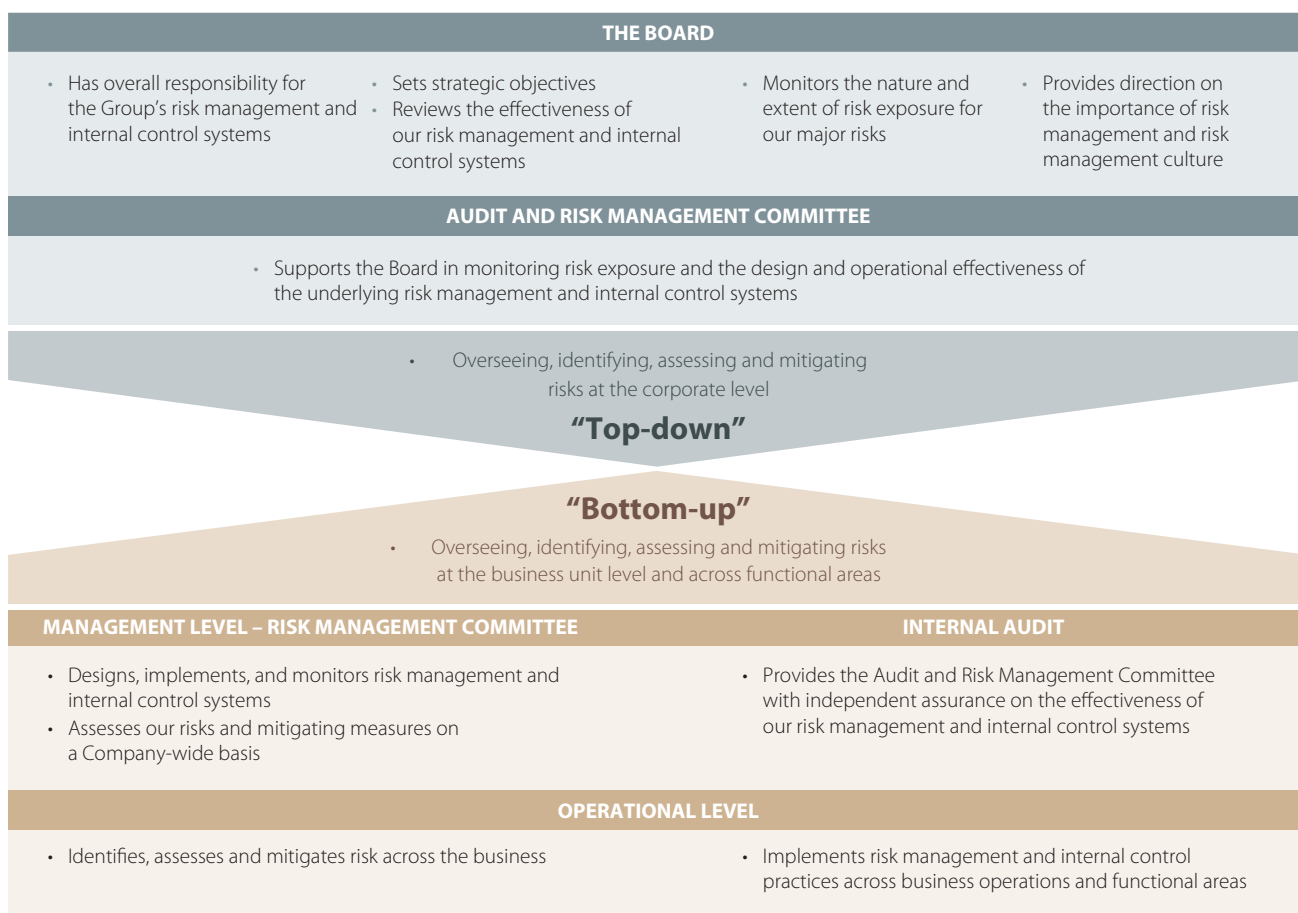
OUR RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Audit and Risk Management Committee supports the Board in monitoring the Group's risk exposures and overseeing the design and operational effectiveness of its underlying risk management and internal control systems. Acting on behalf of the Board, the Audit and Risk Management Committee consistently supervises the following processes:

- Reviewing the Group's principal business risks and the control measures used to mitigate, transfer or avoid such risks; the strengths and weaknesses of the Group's overall risk management and internal control systems, and action plans to address such weaknesses or improve the assessment process;
- Reviewing reports by the Group Internal Audit on the Group's business processes and operations, including action plans to address any control weaknesses identified, and receiving status updates and monitoring the implementation of such audit recommendations; and
- Reviewing reports by the Group's external and internal auditors regarding any control issues identified in the course of their work, and discussing with external and internal auditors the scope of their respective reviews and findings.

The Audit and Risk Management Committee reports its findings to the Board, which then takes them into consideration when forming its own view of the effectiveness of the Group's risk management and internal control systems.

Hysan's Top-Down/Bottom-up Risk Management Framework



2025 REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL EFFECTIVENESS

In respect of the year ended 31 December 2025, the Board, with confirmation from the ED & COO, CFO, Head of Internal Audit and General Counsel & Company Secretary, considered the Group's risk management and internal control systems to be effective and adequate. No significant areas of concern, control failings or weaknesses that may affect the financial, operational and compliance controls, ESG (including climate-related) compliance, internal audit, risk management and internal control functions of the Group were identified. The Group's risk management and internal control systems are designed to manage, rather than to eliminate, the risks of failure to achieve its business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss. The Board confirms that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in the CG Code.

During the review, the Board also considered the resources and staff qualifications/experience of the Group's internal audit, accounting, financial reporting and business support functions, as well as those relating to ESG (including climate-related) compliance, and found their training and budgets to be adequate.

OUR RISK MANAGEMENT AND INTERNAL CONTROL MODEL

Our risk management and internal control model is based on that of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") in the U.S., but with due consideration given to our organisational structure and business nature.

Our model has several components. The following section describes how our risk management and internal control model fits our operational and control environment.

- **Control Environment** – We have a strong tradition of good corporate governance and are committed to maintaining high standards of integrity, openness, probity and accountability. A formal Code of Ethics is communicated to all staff, including new recruits.

We have maintained a separate Whistleblowing Policy since 2016, under which whistleblowers can raise concerns in confidence through an independent third party, who then reports cases to the Audit and Risk Management Committee.

In January 2021 and November 2022, we adopted a separate Anti-Fraud Policy and an Anti-Bribery and Corruption Policy, respectively, to promote an ethical corporate culture and emphasise our "zero tolerance" attitude to fraud, bribery and corruption. The policies are reviewed throughout the year to ensure a healthy corporate culture and high standards of integrity and ethics through effective implementation.

Following the Risk Management Guidelines developed in 2020, we adopted a Risk Appetite Statement in June 2021 that articulates the Group's principles regarding risk acceptance in pursuit of its strategic mission and business objectives. The statement defines the type of risk scenarios the Group should avoid and the levels of exposure it should not incur, taking the varying levels of risk into consideration.

In February 2026, the Whistleblowing Policy and the Anti-Bribery and Corruption Policy were updated to reflect the latest regulatory developments. The Whistleblowing Policy further clarifies record keeping requirements and specifies the level of substantiation and evidence expected in support of reports, while the Anti-Bribery and Corruption Policy was updated to set out the steps and processes for conducting third party due diligence.

During the year, no material related issues were raised.

Risk Management and Internal Control Report

- **Risk Assessment** – We continually improve our risk management process and the quality of information generated, while maintaining a simple and practical approach. We seek to embed risk management into all our operations (including retail, office, residential, property management and technical services, projects, marketing, and investment and strategic development) and functional areas (including finance, human resources and administration, business technology, legal and secretarial, corporate communications and sustainability departments).

Department heads review and update their risk registers on an annual basis, providing assurance that controls are appropriately embedded and are operating effectively.

At the management level, the Risk Management Committee, comprising the Chairman, ED & COO, CFO, General Counsel & Company Secretary and Head of Internal Audit, sets relevant risk management policies and regularly monitors potential weaknesses and the respective action items. The Committee is also responsible for identifying and assessing macro and strategic risks, including emerging risks.

This bottom-up approach, in which operating unit heads identify operational risks, is combined with top-down stewardship to ensure a comprehensive assessment of the Group's major risks. Discussions with all department heads further enhance the participatory and interactive aspects of our overall risk assessment and risk challenge process.

- **Control Activities** – Our business operations involve well-established business processes. The Group's control activities have traditionally been based on supervisor reviews, the segregation of duties, and well-defined physical and digital control points. These control policies have been formalised as written policies and procedures, with defined limits of delegated authority and segregated duties and controls.

The annual budgeting and planning process, one of our key control activities, takes into consideration all risk factors as well as the prevailing economic conditions and social trends. All operating units, in preparing their respective plans, are required to identify material risks that may have an impact on the achievement of their business objectives.

Action plans to mitigate identified risks are then required to be developed for implementation. Variance analyses are regularly performed and reported to the management and the Board, helping to identify deficiencies for which timely remedial actions can be taken.

The monitoring of major project expenditures is another significant control activity, as this represents a particularly capital-intensive aspect of our property business. For each project, a detailed analysis of expected risks and returns is submitted to the operating unit heads, ED & COO, CFO, Chairman and the Board for approval as appropriate. Criteria used to assess projects' business and financial feasibility are generally based on net present value, the payback period and the internal rate of return from projected cash flow, sensitivity analysis and life cycle analysis.

Management also conducts internal control self-assessments on an annual basis. All department and unit heads must complete a relevant control self-assessment questionnaire and confirm with management that appropriate internal control policies and procedures have been established and properly complied with.

- **Monitoring Activities** – The Board and the Audit and Risk Management Committee oversee the control process with assistance from our Internal Audit team. Management provides updated reports to the Audit and Risk Management Committee on major risks and appropriate mitigating measures on a regular basis. In 2025, the Audit and Risk Management Committee held four meetings (2024: four meetings) to address dynamic risks and enhance the risk management oversight function. Each meeting included a dedicated discussion of risk management, internal control systems and recent developments.

RISK MANAGEMENT PROCESS

The Group has a robust process to review and communicate risks across its multi-level risk governance structure. This consists of (i) an ongoing process integrated into its day-to-day operations, in which risk owners dynamically evaluate and report any emerging risks they encounter to the Risk Management Committee, and (ii) a periodic risk assessment process through which key risks identified by management are systematically assessed on a regular basis.

Ongoing Risk Monitoring Process

Risk owners and the Risk Management Committee promptly make assessments and take action in response to new or emerging risks. This is a continuous and interactive process that includes communication and consultation with stakeholders.

- New risk confronted/anticipated
- Immediate risk review
- Assess risk
- Assess mitigation actions
- Notify parties
- Brainstorm and communicate
- Enforcement

Regular Risk Assessment Process

Risk Assessment

- Review and highlight key risks across different dimensions at the business unit level
- Analyse risks through detailed consideration of likelihood, impact and velocity, using established risk criteria

Risk Treatment

- Decide how to treat risks, based on the approaches of “Terminate, Transfer, Treat and Take” (or a combination thereof, where applicable)

Residual Risk and Risk Tolerance Level

- Collate the residual risk status (after risk treatment) with the risk tolerance level for each key risk
- Determine any further actions needed to close any risk gap

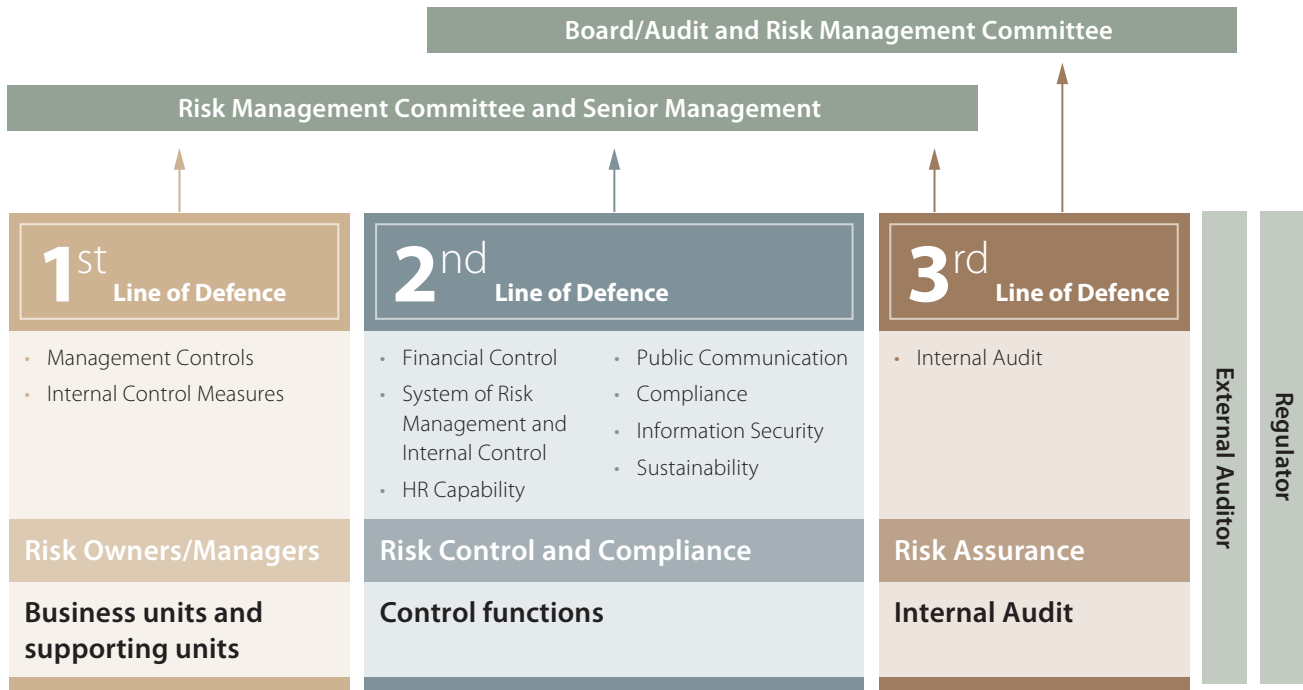
Risk Reporting

- Translate risk registers into a risk radar analysis
- Summarise and reflect the prioritised key risks of the Group

Risk Management and Internal Control Report

HYSAN'S "THREE LINES OF DEFENCE" MODEL

Clear responsibilities and robust controls are vital to help manage risks. In 2017, we reinforced our risk governance structure by adopting the "Three Lines of Defence" model to address how specific duties related to risk and control should be assigned and coordinated within the Group. This has reinforced Hysan's risk management capabilities and compliance culture across all divisions and functions.



The model aims to reinforce Hysan's risk management capabilities and compliance culture throughout the Group. The responsibilities of each of the defence lines are as follows:



OUR RISK PROFILE

Our approach for managing risk is underpinned by our understanding of our current risk exposures as well as how our risks are changing over time. The following table illustrates the nature of our major risks. Further analysis of our strategies is set out in other sections of this Annual Report as indicated below.

Risk area	Risk level changes during 2025	Description of risk change	Our mitigating measures
Overall business environment	—	<ul style="list-style-type: none"> Commercial property markets continued to be pressured while economic activities and consumer confidence in the Chinese Mainland and Hong Kong are recovering. Uncertainties in U.S. trade policy, trade tensions, and export controls remained, while global geopolitical conflicts continued. 	<ul style="list-style-type: none"> Execution of our strategic plan to curate our core Lee Gardens portfolio enhanced competitiveness. Investments in our growth pillars to diversify revenue sources. Executed our strategy with financial discipline and preserved liquidity. Continued to improve operational efficiency and productivity and prioritise resources to capture business opportunities.
Office sector	▲	<ul style="list-style-type: none"> Office market was soft and faced strong competition. New office supply continued to pressure the vacancy rate and overall market rental price. 	<ul style="list-style-type: none"> Diverse and dynamic leasing efforts widened our tenant mix and captured demand from various sectors. Embraced the Flex trend and widened our Flex offer through our Greater Bay Area Flex business. Offered tailored solutions to increase the marketability of office units. The upcoming Lee Garden Eight, along with covered walkways and bridges, will enhance sustainability and connectivity.
Retail sector	—	<ul style="list-style-type: none"> Hong Kong retail sales showed improvement year-on-year but retail market remained challenging due to ongoing changes in consumption patterns. Changes in tourist and consumer behaviour, shifting from merchandise to experiential trades. Competition from Shenzhen, Hainan and other major cities continued to intensify. Competition among major shopping malls regarding promotions and loyalty incentives. 	<ul style="list-style-type: none"> Dynamic refinement and active curation of our trade mix and shopping experience reinforced our market position. A resilient and sustainable tenant portfolio. Strengthened our long-term partnerships with strategic tenants. Leveraged marketing messages and campaign creativity to drive visitation and customer spending. Continued to deliver differentiated loyalty programmes, enhanced digital engagement and user experience for Club Avenue and Hy! Members.
Residential sector	—	<ul style="list-style-type: none"> Hong Kong's residential market recorded solid rebound in 2025. Inflows of talents and expatriates continued to support demand. 	<ul style="list-style-type: none"> Diversified our marketing channel and agents.

Risk Management and Internal Control Report

Risk area	Risk level changes during 2025	Description of risk change	Our mitigating measures
Tai Po Residential Development Project	—	<ul style="list-style-type: none"> Improved sentiment for luxury residential market. Competition continued to be intense. 	<ul style="list-style-type: none"> Aligning our sales programme with the property market demand.
Lee Garden Eight Construction	—	<ul style="list-style-type: none"> Construction progress was satisfactory. 	<ul style="list-style-type: none"> Ensured the project is carefully and professionally designed. Continued to adopt innovative, cost-efficient construction approach and technology. Executive Committee closely monitored and managed construction costs and progress.
Shanghai Investment Property – Lee Gardens Shanghai	—	<ul style="list-style-type: none"> Competition in Shanghai leasing market continued to be intensified. 	<ul style="list-style-type: none"> Built on our competitive advantages by extending the Lee Gardens brand and high-quality property management services to Shanghai. Developed a strong and experienced local team with support from Hong Kong Head Office. Dynamic leasing strategies to curate a solid portfolio.
Human Resources	—	<ul style="list-style-type: none"> Competition remained fierce for attracting skilled personnel, including those in frontline operations and management positions, to support our growth strategy. 	<ul style="list-style-type: none"> Continued to implement a working environment and benefits focused on wellbeing. Enhanced staff productivity through technology and process automation. Developed talent via internal training and our leadership programme. Strengthened our employer brand.
Cyber security	—	<ul style="list-style-type: none"> Increased risk of cyber security attacks on corporations, including cyber and physical security breaches, system failures, phishing attacks, computer viruses and malicious software, could lead to operational disruptions, reputational damage and claims from third parties. Similar cyber security risks are faced by our third-party information system service providers. 	<ul style="list-style-type: none"> Regular cyber security reviews and upgrades organised to identify and mitigate risks. Security awareness programme raised awareness of cyber security for all staff. Engaged external professionals to perform information security review on technical infrastructure and cyber security maturity. Cyber security policies and procedures, as well as insurance for cyber risk, continued. Ongoing monitoring of key risk indicators. No direct or third-party cyber security breaches were reported for the year ended 31 December 2025.

Risk area	Risk level changes during 2025	Description of risk change	Our mitigating measures
ESG (including climate change)	—	<ul style="list-style-type: none"> • New requirements on ESG compliance are evolving. • Extreme weather events continued to pose threats on our operations and management of the buildings. 	<ul style="list-style-type: none"> • Continuously reviewed the requirements of ESG compliance and expectations of stakeholders with sustainability performance. • Kept sustainability-related policies and procedures up to date; and refined operational procedures on an ongoing basis. • Conducted regular risk assessments and enhanced preventive measures for extreme weather events. • Established decarbonisation roadmap and scenario analysis related to physical and transition risk assessment, including both short and long-term initiatives, towards the objective of net zero carbon.
Customer Data Protection and Privacy Protection	—	<ul style="list-style-type: none"> • As applications of business technology continued to widen, personal data were collected through digital platforms and other channels. 	<ul style="list-style-type: none"> • Data Privacy Management Group continued to oversee the privacy risks and control system, and further introduced new measures for personal information management. • Regular data privacy compliance review. • Continued to monitor stringent privacy policies and procedures, with strict compliance by all employees and service providers. • A centralised data privacy inventory is in place to track the risks and controls of personal data privacy. • No customer data loss cases or customer privacy breaches reported in the last three years.
Anti-fraud and Anti-corruption	—	<ul style="list-style-type: none"> • External service providers and third parties are engaged to provide business and technological solutions. 	<ul style="list-style-type: none"> • Continued to monitor the Anti-fraud Policy, including established anti-fraud procedures and guidelines. • Updated the Anti-bribery and Corruption Policy to set out the steps and processes for conducting third party due diligence. • Regularly update our Code of Ethics and Whistleblowing Policy, and the independent whistleblowing channel. • Identified potential fraud risks across the Group; no material related cases reported in the last three years.

Notes:

- ▲ where “inherent risks” have increased (i.e. before taking into consideration mitigating activities)
- ▼ where “inherent risks” have decreased
- where “inherent risks” have remained broadly the same

Risk Management and Internal Control Report

ENHANCEMENTS TO THE INTERNAL CONTROL ENVIRONMENT AND ACTIVITIES IN 2025

In addition to the actions described above, the following outlines examples of the improvements we have made to strengthen our risk management and internal control systems:

Control Environment – Compliance policies	<ul style="list-style-type: none"> We have established clear guidelines for policy owners regarding the establishment and ongoing review of corporate policies and procedures. This ensures our policies and procedures adequately address business and strategic developments and mitigate relevant emerging risks. We conduct annual reviews of the Anti-fraud Policy, the Anti-bribery and Corruption Policy, and the Group's Whistleblowing Policy to ensure there are adequate guidelines for our fraud risk management, as well as for the prevention and detection of misappropriation. 	<ul style="list-style-type: none"> Ongoing review process in place to ensure compliance
Control Environment – Risk Assessment and Control Self-Assessment Questionnaire	<ul style="list-style-type: none"> An online system is in place to facilitate our risk owners' annual risk assessments as well as a control self-assessment questionnaire. 	<ul style="list-style-type: none"> Systematic and efficient control assessment
Control Environment – Ethics of the Group	<ul style="list-style-type: none"> Our audits continue to evaluate the design, implementation and effectiveness of the Group's ethics-related objectives, programmes and activities from various perspectives. These include tone at the top, reporting structures, communications, and so forth. Below are some examples of past audits that have included ethical elements: <ul style="list-style-type: none"> Group-wide procurement review in 2025 and 2024 Human Resources operation review in 2024 Finance and Treasury review in 2023 Fraud risk management in Marketing Operation in 2022 Corporate Communications Review, in which sustainability governance was covered, in 2022 Cultural audit in 2021 Data privacy audits in 2025, 2024, 2023 and 2020 Fraud risk management in Residential Operation in 2021 	<ul style="list-style-type: none"> Maintain high level of ethical standards for the employees of the Group
Control Activities – internal controls and policies and procedures	<ul style="list-style-type: none"> Reviews were conducted to evaluate the group procurement process, provide assurance over procurement governance, and drive process improvement. A data privacy compliance review was conducted for the Group to ensure full compliance with Group standards. Conducted a retail lease operation review. Conducted an annual information security review. 	<ul style="list-style-type: none"> Continual review and refinement of internal controls and policies and procedures to keep risk management and internal controls aligned with the fast-changing business environment
Monitoring Activities – Cost review of development projects	<ul style="list-style-type: none"> We conduct ongoing and periodic reviews of the costs and controls of development projects, as the Group continues to execute several strategic developments, including the Caroline Hill Road Site Project and major asset enhancement projects. These reviews aim to ensure proper cost management and control of development projects. 	<ul style="list-style-type: none"> Ongoing review process in place to ensure proper development cost control

The Risk Management Committee
Hong Kong, 26 February 2026

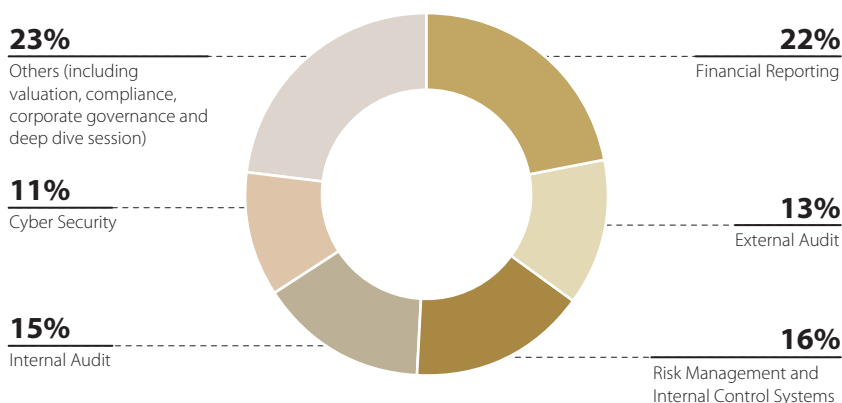
Audit and Risk Management Committee Report

Dear Shareholders,

We are pleased to present the report of the Audit and Risk Management Committee for 2025, which provides an overview of the work undertaken by the Committee during the year.

In 2025, the Committee continued to play a key oversight role for the Board in reviewing the Group's risk management and internal control systems, monitoring internal and external auditors, and overseeing and reviewing the financial reporting and Listing Rules compliance process. The Committee further provided independent and impartial oversight in relation to the overall risk management approach of the Group. Recommendations were also made on the Group's risk appetite, profile and tolerance.

Committee activities and agenda time during the year



Composition in 2025	Churchouse Frederick Peter* (redesignated as the chairman on 5 June 2025) Zhang Yong* Lee Anthony Hsien Pin Poon Chung Yin Joseph* (ceased to be the chairman and a member on 5 June 2025) * INED
Independence Weighting	66.7%
Meeting Schedule	<ul style="list-style-type: none"> Four meetings were held during the year, with two of those meetings specifically focused on addressing dynamic risks (including cyber security) and enhancing the risk management oversight function Two private sessions were held with external and internal auditors, in a confidential setting without the presence of management, that facilitate open and candid dialogue
Highlights in 2025 and 2026	<ul style="list-style-type: none"> Deep dive sessions with the external auditor and independent professional valuers on the reasonableness of property and investment valuations Deep dive sessions with external professionals on the capital market outlook and funding dynamics Quarterly reviews of cash flow projections and bank facilities to ensure ongoing financial robustness Discussed and assessed the key risks, opportunities and strategic implication arising from the adoption of artificial intelligence. Reviewed the Group's current artificial intelligence adoption, applications and practices Conducted the annual data privacy compliance review Conducted an annual review on information security and general controls on information technology Conducted quarterly cost reviews of the Lee Garden Eight construction Conducted a group-wide procurement review Conducted a retail operation review Ongoing monitoring and enhancement of risk management and internal control systems in accordance with the Listing Rules and other regulatory requirements

Audit and Risk Management Committee Report

ROLES AND AUTHORITIES

The Audit and Risk Management Committee's main roles and authorities are to:

- Oversee the Group's financial management and reporting processes and monitor the work carried out by the external auditor;
- Review and assess the Company's risk management and internal control systems;
- Review reports on major risks faced by the Group;
- Assess and review the risk appetite, profile and tolerance of the Group;
- Review resource adequacy and staff qualifications, skillsets and experience in the Group's internal audit, accounting and financial reporting functions, as well as their training programmes and budget;
- Review and ensure adequacy of corporate policies and procedures and effectiveness of the Group's compliance framework;
- Review the effectiveness of the Company's internal audit function; and
- Oversee the Company's relationship with the external auditor and provision of non-audit services.

ACTIVITIES

Details of the meeting held in February 2025 are set out in the 2024 Annual Report.

From March 2025 to February 2026, the Audit and Risk Management Committee held four meetings. The Board Chairman and senior management (including the ED & COO, CFO and General Counsel & Company Secretary), internal auditor, external auditor and independent professional valuer presented updates and answered relevant questions to facilitate the Committee's decision-making process. Details of matters discussed in the meetings are given below.

Meetings of the Audit and Risk Management Committee Over the Past 12 Months

June 2025	August 2025	November 2025	February 2026
<ul style="list-style-type: none"> • Internal Audit Report • Cyber security • Risk Management Deep-Dive: Capital Market Outlook & Funding Dynamics • Legal and Regulatory Update 	<ul style="list-style-type: none"> • Interim Results • Property Valuations • Internal Audit Report • External Auditor Report • Legal and Regulatory Update 	<ul style="list-style-type: none"> • External Audit Progress Report • Risk Assessment • Internal Audit Report • Cyber security • Annual Review of Adequacy of Resources • Legal and Regulatory Update 	<ul style="list-style-type: none"> • Annual Results • Internal Audit Report • Property Valuations • Annual Review of Risk Management and Internal Control Effectiveness • Effectiveness and Independence of External Auditor • External Audit Completion Report • External Audit Plan For 2026 • Annual Review of Continuing Connected Transactions • Legal and Regulatory Update

FINANCIAL REPORTING

The Audit and Risk Management Committee reviewed and discussed with management and the external auditor, and recommended to the Board the approval of the unaudited financial statements for the first six months ended 30 June 2025, the audited financial statements for the year ended 31 December 2025, and the Independent Auditor's Report for the year ended 31 December 2025, prior to their publication.

Within this process, management is responsible for the preparation of the Group's financial statements, including the selection and application of appropriate accounting policies, while the external auditor is responsible for auditing and attesting to the Group's financial statements and evaluating the Group's system of internal controls in this regard. Directors' responsibility for the financial statements is set out in the Corporate Governance section of this Annual Report.

The Committee's review and recommendations were based on the external auditor's review work, as well as the following:

- Discussions with the external auditor and internal auditor regarding the scope of their respective reviews and findings;
- Discussions with management regarding significant parameters and judgements affecting the Group's financial statements, including the valuation of investment properties as at 30 June 2025 and 31 December 2025 by the independent professional valuer, Knight Frank Petty Limited; and
- A joint review with both management and the external auditor of the key audit matters included in the Independent Auditor's Report for the year ended 31 December 2025.

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Key initiatives in relation to our review of risk management and internal control systems during the year are given below:

Corporate Policies and Procedures

We set out clear guidelines for policy owners regarding the establishment and ongoing review of corporate policies and procedures. This ensures the policies and procedures adequately address the business and strategic developments and mitigate the relevant emerging risks.

The Group made strong progress on strategic growth initiatives, including the Lee Garden Eight development, Lee Gardens Rejuvenation Project, and the ramp-up of operations at Lee Gardens Shanghai, underpinned by a robust risk management and internal control framework. In view of the significance of these key developments, we reviewed the Group-wide procurement process to reinforce procurement controls and ensure their operating effectiveness.

Data Privacy

The Data Privacy Management Group, comprising compliance experts from the management team, oversees the data privacy risks and control system of the Group.

An annual data privacy compliance review was conducted for the Group (including the Shanghai operation), ensuring compliance with applicable laws as well as relevant corporate policies and statements regarding the collection, use, storage and retention of personal data.

Data privacy management procedures are in place with clear guidelines on data collection, access, data inventory maintenance, internal and external communication, and incident response protocols.

To further ensure staff awareness of handling personal information and adherence to data privacy management procedures in all functional areas, all employees were required to complete mandatory annual training in data privacy to refresh their knowledge and understanding of the latest data privacy practices and regulations.

Audit and Risk Management Committee Report

Internal Controls

Each year, the Group carries out an annual internal control self-assessment. In 2025, all department and unit heads completed a control self-assessment questionnaire tailored to their specific operations and functional risks. This process promotes alignment between the leadership's tone at the top and the bottom-up insights and risk assessments provided by the functional teams.

Furthermore, we maintained our commitment to the continuous monitoring and strengthening of our internal controls. This effort aligns with the requirements of the Listing Rules and other relevant regulatory standards.

Capital and Financial Management

In response to the risks stemming from economic uncertainties and the Group's capital commitment to major construction projects, we have intensified our monitoring and control processes for managing our capital management, liquidity buffer and cost controls. The management team undertakes several key actions to ensure financial robustness by (i) constantly evaluating the Company's credit metrics, cash deployment, funding plans, liquidity buffers, and funding costs to maintain financial health and manage exposure to market changes, (ii) taking appropriate action in view of the market environment and outlook, and (iii) providing comprehensive updates to the Board through quarterly and ad hoc reports, ensuring transparency and informed decision-making at all levels.

INFORMATION SECURITY

The Audit and Risk Management Committee places great emphasis on information security and has a primary oversight responsibility for cyber security risks. The topic of information security is a regular item on the Committee's meeting agendas. During the meetings, senior management provided regular updates on matters relating to information security of the Group, including regular reviews and assurance on the security of the infrastructure and updates on system enhancements. The Committee dedicated substantial time to numerous discussions on this issue.

Annual Information Security Review

In 2025, we engaged external experts to conduct an independent comprehensive review of the Group's information system and technical infrastructure, assessing cyber security maturity and all network changes implemented throughout the year. This evaluation helped identify and mitigate potential cyber security risks and vulnerabilities, guiding our efforts to fortify key information technology infrastructure and enhance network protection.

Ongoing Cyber Security Management

During the year, the Committee undertook an ongoing review of the Group's information systems to confirm that our current cyber security measures meet essential standards and requirements for effectively safeguarding the Group against cyber threats. After a thorough review of updates from management and assessments by external professional experts, the Committee concluded that our information security system is both adequate and fit for purpose.

Recognising the critical importance of cyber security awareness, we mandated annual cyber security awareness training for all employees. In 2025, we continued to implement a tailored cyber security awareness training programme, featuring a series of courses covering a broad spectrum of relevant topics. This initiative is designed to enhance the overall security posture of the Company by equipping our staff with the knowledge and skills necessary to identify, mitigate and respond to cyber security threats.

In addition, the Audit and Risk Management Committee:

- Evaluated the financial aspects of the Group's strategy implementation;
- Considered the Group's key corporate risks, including the overall business environment, operational risks and ESG (including climate-related) risks and compliance, with the overall approach set by senior management;
- Considered the key imminent risks and risk registers presented by management;
- Reviewed all legal and regulatory updates and trends that may affect the Group and their implications;
- Reviewed the methodology used by the Group's independent professional valuer, Knight Frank Petty Limited, in the valuation of its investment properties and discussed the key judgements made by the valuer;
- Reviewed resource adequacy and staff qualifications and experience in the Group's internal audit, accounting and financial reporting functions, as well as their training programmes and budget; and
- Reviewed the annual risk management and internal control systems performance for 2025, based on the following:
 - Reports from the GIA on the review of the Company's continuing connected transactions for the year ended 31 December 2025, as well as the adequacy and effectiveness of the related internal control procedures;
 - Regular reports from management regarding major risks, movements in risk levels and mitigating actions, as well as special reports on major risk items identified (as detailed above);
 - Regular reports from the GIA, including the implementation status of its recommendations;
 - Certification and confirmation of controls' effectiveness by management, covering financial, operational and compliance controls, ESG (including climate-related) compliance, internal audit, risk management and internal control, as well as the adoption of a control self-assessment questionnaire across the operating departments; and
 - Confirmation from the external auditor that it had not identified any control weaknesses in respect of the Group's financial reporting cycle during its audit.

The Audit and Risk Management Committee was satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems, including resource adequacy and staff qualifications and experience in the Group's accounting, financial reporting and internal audit functions, as well as their training programmes and budget. No significant areas of concern that might affect financial, operational and compliance controls, ESG compliance (including climate-related compliance), cyber security, internal audit, risk management or internal control were identified.

Audit and Risk Management Committee Report

THE FOLLOWING MEASURES ARE IN PLACE TO ENSURE THE INDEPENDENCE OF EXTERNAL AUDITOR:

- Detailed assessment of the external auditor's independence, service quality and remuneration level;
- Annual confirmation of the auditor's independence issued by the external auditor;
- A rotation arrangement for the lead audit partner was established and implemented by the external auditor;
- The lead audit partner is required to comply with professional ethical standards and independence policies and requirements applicable to the work performed;
- The award of any non-audit services provided by the Group's external auditor (and their affiliates) is subject to the Group's procurement policy, which is consistent with all other third-party vendor relationships;
- All non-audit services were pre-approved by the Audit and Risk Management Committee; and
- Appropriate policies and procedures have been established to identify audit and non-audit services, as well as prohibited non-audit services that might impair the independence of the auditor. The external auditor confirmed its independence with regard to the non-audit services provided.

A summary of the external auditor's services and fees for the years ended 31 December 2025 and 2024 is as follows:

	2025 HK\$ million	2024 HK\$ million
Audit services	4.0	3.5
Non-audit services		
– Recurring (Note a)	0.2	0.6
– One-time transactional		
• Technology services (Note b)	3.2	7.4
• Issuance of perpetual securities	0.5	–
Total	7.9	11.5

Notes:

- (a) Recurring services include review, statutory compliance, regulatory or government procedures required to comply with financial, accounting or regulatory report matters.
- (b) Technology services include system integration and application management services for customer relationship management platforms.

EXTERNAL AUDITOR

The Group engaged Deloitte Touche Tohmatsu as the external auditor of the Company and regards their independence as crucial to the effectiveness of our corporate governance. In overseeing the Group's relationship with the external auditor and ensuring its independence, the Audit and Risk Management Committee:

- Reviewed and considered the terms of engagement of the external auditor in respect of the Group's 2025 results (including the 2025 annual audit, the related results announcement, and the annual review of continuing connected transactions) and the annual update regarding its MTN Programme;
- Reviewed the audit progress report of the external auditor;
- Reviewed the annual assessment of the auditor's independence, qualifications, expertise and services, and remained satisfied with the same;
- Reviewed and considered the 2025 audit service plan of the external auditor and the terms of its engagement in respect of the 2025 interim results review; and
- Recommended to the Board that the Shareholders be asked to re-appoint Deloitte Touche Tohmatsu as the Group's external auditor for 2025.

The Audit and Risk Management Committee and the Group were satisfied that the auditor's independence and objectivity were not in any way impaired by the provision of non-audit services.

INTERNAL AUDIT

The Audit and Risk Management Committee reviewed the internal audit plan regarding the key risks and business strategy of the Group, details of specific significant internal audit findings, management responses to audit reports issued during the year, and regular reports on their implementation status. Following the Group's three-year audit plan, Internal Audit continually conducted projects that highlighted control gaps for management rectification. Audit findings were presented via audit reports, including management responses regarding the status of subsequent follow-up and implementation.

EVALUATION

The Board and Board Committee evaluation process, which took place during the year, concluded that the Audit and Risk Management Committee was effective in fulfilling its roles in 2025. For details, please refer to the "Board Evaluation" section of the Corporate Governance Report (pages 88 to 91).

Members' attendance records are disclosed in the table on page 83.

Members of the Audit and Risk Management Committee

Churchouse Frederick Peter (Chairman)
Zhang Yong
Lee Anthony Hsien Pin

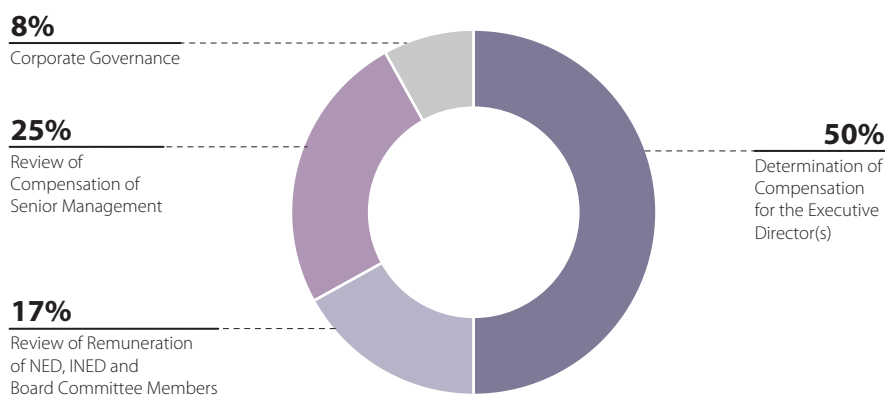
Hong Kong, 26 February 2026

Remuneration Committee Report

Dear Shareholders,

We are pleased to present the Remuneration Committee Report for 2025. The primary roles of the Remuneration Committee are to advise the Board on the formulation of remuneration policy, to determine the remuneration and incentive packages for Directors and senior management, and to ensure that the remuneration packages are commensurate with the qualifications and competencies of the Directors and senior management and are in the best interests of the Company and its Shareholders.

Committee activities and agenda time during the year



Composition in 2025	Chung Cordelia* (Chairman) Churchouse Frederick Peter* Young Elaine Carole* * INED
Independence Weighting	100%
Meeting Schedule	<ul style="list-style-type: none"> At least one meeting every year One meeting in 2025
Highlights in 2025 and 2026	<ul style="list-style-type: none"> Considered remuneration for Directors and senior management Considered the Group's compensation structure Reviewed its terms of reference

ROLES AND AUTHORITIES

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

- Review the Group's framework and general policies for the remuneration of EDs and senior management and make recommendations to the Board;
- Review and determine the remuneration of EDs and senior management as recommended by management;
- Review and make recommendations to the Board on the fees of NEDs, INEDs and Board Committee members prior to Shareholders' approval at the general meetings; and
- Review matters related to share incentive plans (including matters related to share schemes under Chapter 17 of the Listing Rules), changes to the key terms of pension plans, and the key terms of any new compensation and benefits plans that have a material financial, reputational and strategic impact on the Company.

ACTIVITIES

The EDs and management may be invited to Remuneration Committee meetings to present updates and/or answer relevant questions in order to facilitate the decision-making process. No Director is involved in deciding his or her own remuneration.

Details of the meeting held in February 2025 are set out in the 2024 Annual Report. In February 2026, the Remuneration Committee held a meeting to:

- Approve the EDs' 2026 compensation packages and 2025 performance-based bonuses;
- Review the fees for NEDs, INEDs and Board Committee members;
- Review and determine the compensation packages of senior management; and
- Review the terms of reference of the Remuneration Committee.

Members' attendance records are disclosed in the table on page 83.

REMUNERATION POLICY

We recognise the importance of a transparent remuneration policy and practice, which are underpinned by three cornerstones:

1. Effective Corporate Governance
 - No Director is involved in deciding his or her own remuneration;
 - Compensation packages of EDs are reviewed and approved by the Remuneration Committee;
 - Remuneration of NEDs and INEDs are approved by the Board upon the recommendation of the Remuneration Committee and subject to Shareholders' approval;
 - Compensation packages of senior management and department heads are reviewed and approved by the Remuneration Committee; and
 - Independent professional advice is to be sought where appropriate.

Remuneration Committee Report

2. Market Benchmarking

- Hong Kong property developers and companies listed on the main board of the Stock Exchange with investment property business were selected as comparators for benchmarking Director's fees and remuneration of EDs and senior management.

3. Performance-linked

- Remuneration packages and structures for EDs and senior management shall reflect a fair reward system for all participants, taking into account both quantitative and qualitative assessments of performance in the forms of financial and operational targets and behavioural competencies that align with the Group's long-term strategy, corporate culture and core values.
- With the aim of incentivising a proper balance between business performance and long-term sustainable growth, long-term contributions shall be reviewed and evaluated based on, among others, the pre-determined long-term objectives and development plan, considering also the alignment with the Group's long-term strategy, corporate culture and core values, etc.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

The Group's approach is to provide a fair market level of remuneration to attract, retain and motivate high-quality EDs, senior management and employees. At the same time, rewards must be aligned with the Company's strategy, corporate culture, core values, performance and Shareholders' interests.

The following principles of remuneration for EDs and senior management have been established:

- The Remuneration Committee shall determine the overall amount of each component of remuneration, taking into account:
 - (i) both quantitative and qualitative assessments of performance;
 - (ii) the achievement of financial and operational key performance targets; and
 - (iii) behavioural competencies that align with the Group's long-term strategy, corporate culture and core values;
- Remuneration policy and practices shall be as transparent as possible and reviewed regularly, independent of executive management;
- Grantees of the share schemes of the Company shall develop significant personal shareholdings through executive share incentive schemes, in order to align their interests with those of the Shareholders;
- Remuneration packages shall be set at levels that ensure comparability and competitiveness with Hong Kong-based companies competing for a similar talent pool, with special emphasis on the real estate industry. Independent professional advice is to be sought where appropriate; and
- Pay and employment conditions elsewhere in the Group shall be taken into account.

In reviewing and determining remuneration for EDs and senior management, the Remuneration Committee will take into account their overall achievements with respect to the following determining factors, each with a series of measures:

Components	Determining Factors
Fixed compensation	
Base salary and allowances	<ul style="list-style-type: none"> Market trends: increments in line with general and real estate industry norms Market benchmarks relevant to role and job scope Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.) Individual performance and contribution^{Note 1}, measured against annual financial and operational targets (turnover, expense ratio, earnings per share ("EPS"), portfolio year-end occupancy, achievement of key strategic initiatives, etc.)
Variable compensation	
Performance bonus	<ul style="list-style-type: none"> Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.) Individual performance and contribution^{Note 1}, measured against annual financial and operational targets (turnover, expense ratio, EPS, portfolio year-end occupancy, achievement of key strategic initiatives, etc.) Actual bonus payout ranges from 0–200% of target bonus, which is set as a percentage of annual base salary
Share incentives	<ul style="list-style-type: none"> Company performance (with reference to the Group's turnover growth, occupancy rate, property expenses ratio, underlying profit, etc.) Corporate KPIs^{Note 2}, individual performance and potential, as well as long-term contribution^{Note 3} to the Company Level of share options and/or share awards granted is based on a prescribed grant multiple of annual base salary^{Note 4}

Notes:

- Employees are required to undergo mid-year and annual performance appraisals, during which individual performance targets (financial and operational) are set. Performance is continually monitored throughout the year and evaluated against these performance targets semi-annually. Performance assessments on the achievement of performance targets and behavioural competencies that align with the Group's long-term strategy, corporate culture and core values were conducted, culminating in an individual performance rating that will determine the fixed and variable compensation outcomes.
- The grant of share incentives is contingent upon the fulfilment of specific corporate level performance conditions, including the KPIs on Group's turnover growth, occupancy rate, property expenses ratio, and underlying profit. Under the 2024 Share Award Scheme, the vesting of Performance Shares is determined by company performance, measured as Total Shareholder Return. For details, please refer to the relevant section in this Remuneration Committee Report.
- With the aim of incentivising a proper balance between business performance and long-term sustainable growth, long-term contribution is reviewed and evaluated based on, among others, the pre-determined long-term objectives and development plan, considering also the alignment with the Group's long-term strategy, corporate culture and core values, etc.
- The size of the grant will be determined based on a multiple of the base salary and relevant individual performance metrics. The Board regularly reviews both the grant and vesting structures to ensure alignment with the goals of the share incentive schemes, as well as the long-term strategy, corporate culture and core values of the Group.

In February 2026, the Remuneration Committee held a meeting to consider the annual base salaries of Ms. Lee Irene Yun-Lien and Mr. Lui Kon Wai. The Remuneration Committee approved and recommended for the Board's approval their 2026 annual fixed base salaries of HK\$8,446,000 and HK\$6,102,000 respectively, and 2025 performance-based bonus amounts of HK\$11,124,000 and HK\$5,953,000, respectively.

Details of Directors' remuneration, including individual EDs and senior management's emoluments for 2025, as well as changes in share options and/or share awards for EDs during the year, are set out in notes 10, 11 and 36, respectively, to the consolidated financial statements.

Remuneration Committee Report

Remuneration Policy for NEDs and INEDs

These are the key guiding principles of the remuneration for our NEDs and INEDs:

- Remuneration shall be set at an appropriate level to attract and retain first-class non-executive talent;
- Remuneration of NEDs and INEDs shall be set by the Board and subject to Shareholders' approval at the general meetings and should be proportional to their commitment and contribution to the Company;
- Remuneration practices shall be consistent with recognised best practices and standards for the remuneration of the NEDs and INEDs;
- Remuneration shall be in the form of cash, payable semi-annually; and
- NEDs and INEDs shall not receive share options and/or share awards from the Company.

In 2025, NEDs and INEDs received no compensation from the Group other than the Directors fees disclosed below. None of the NEDs and INEDs received any pension benefits from the Company, nor did they participate in any bonus or incentive schemes.

NEDs and INEDs received fees totalling HK\$3,198,000 during 2025.

Director Fee Levels

Director fees are subject to Shareholders' approval at general meetings. In February 2026, the Remuneration Committee duly considered a number of factors, including the level of responsibility, experience and abilities required of the Directors, the level of care and amount of time required, employment conditions elsewhere in the Group, as well as the fees offered for similar positions in comparable companies requiring the same talent. The Remuneration Committee recommended, and the Board endorsed and proposed, changes to the fees of the chairmen and members of certain Board Committees as set out below for Shareholders' consideration and approval at the forthcoming 2026 AGM.

The current and proposed fees for the NEDs, INEDs and Board Committee members are set out below. EDs do not receive any Director fees.

	Current Fee Per annum HK\$	Proposed Fee Per annum HK\$
Board		
NED and INED	280,000 (Note 1)	280,000 (Note 3)
Audit and Risk Management Committee		
Chairman	180,000 (Note 1)	180,000 (Note 3)
Member	108,000 (Note 1)	120,000 (Note 4)
Remuneration Committee		
Chairman	75,000 (Note 1)	80,000 (Note 4)
Member	45,000 (Note 1)	50,000 (Note 4)
Nomination Committee		
Chairman	50,000 (Note 1)	50,000 (Note 3)
Member	30,000 (Note 1)	30,000 (Note 3)
Sustainability Committee		
Chairman	50,000 (Note 2)	55,000 (Note 4)
Member	30,000 (Note 2)	33,000 (Note 4)

Notes:

1. Approved by Shareholders at the 2019 AGM and took effect on 1 June 2019.
2. Approved by the Board and established with effect from 1 January 2020.
3. No change is proposed.
4. Subject to Shareholders' approval at the 2026 AGM.

Human Resources Practices

The Group aims to attract, retain and develop high-calibre individuals who are committed to attaining our objectives and aligning with Hysan's corporate culture and core values. The total number of employees of the Group as at 31 December 2025 was 507 (2024: 520). The Group's human resources practices are aligned with our corporate objectives in order to maximise Shareholder value and achieve sustainable growth. Details of our human resources programmes, training and development are set out in our Sustainability Report 2025.

Long-term Incentives: Share Schemes

Share Option Schemes

The Company may grant options under executive share option schemes as adopted from time to time (the "Share Option Schemes"). The purpose of such schemes is to strengthen the connection between individual employees and Shareholders' interests.

The Board may, at its discretion, appoint a scheme administrator to administer, manage and implement the Share Option Schemes according to the respective scheme rules. The Remuneration Committee is authorised by the Board to administer the Share Option Schemes, including the granting of options to management staff below the ED level. The power to grant options to EDs is also vested in the Remuneration Committee, with endorsement by all INEDs being required under the Listing Rules.

The 2005 Share Option Scheme

The Company adopted the 2005 Share Option Scheme at its AGM held on 10 May 2005 (the "2005 AGM"), which had a term of 10 years and expired on 9 May 2015. All outstanding options granted under the 2005 Share Option Scheme continued to be valid and exercisable in accordance with the provisions of the 2005 Share Option Scheme, and subsequently lapsed during the year. No further option will be granted under the 2005 Share Option Scheme.

Under the 2005 Share Option Scheme, options to subscribe to the ordinary shares of the Company may be granted to employees of the Company or any of its wholly-owned subsidiaries (including EDs), as well as such other persons as the Board may consider appropriate from time to time, on the basis of their contribution to the development and growth of the Company and its subsidiaries.

The maximum number of shares in respect of which options may be granted under the 2005 Share Option Scheme and any other share option scheme of the Company shall not exceed the maximum number of shares permissible under the Listing Rules, being 10% of the total number of shares in issue as at the date of the 2005 AGM (being 104,996,365 shares, representing approximately 10% of the total number of issued shares of the Company as at the date of this Annual Report).

The maximum entitlement of each participant under the 2005 Share Option Scheme must not, during any 12-month period, exceed the maximum number of shares permissible under the Listing Rules (which is 1% of the total number of shares in issue as at the date of the 2005 AGM, being 10,499,636 shares). The exercise price shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. The consideration for each grant of option is HK\$1 and is required to be paid within 30 days from the date of grant, with full payment for the exercise price to be made upon the exercise of the relevant option.

The 2015 Share Option Scheme

The Company adopted the 2015 Share Option Scheme at its AGM held on 15 May 2015 (the "2015 AGM"), which has a term of 10 years and expired on 14 May 2025. The terms of the 2015 Share Option Scheme are substantially the same as those of the 2005 Share Option Scheme. All outstanding options granted will continue to be valid and exercisable in accordance with the provisions of the 2015 Share Option Scheme. No further option will be granted under the 2015 Share Option Scheme.

Remuneration Committee Report

Under the 2015 Share Option Scheme, options to subscribe to the ordinary shares of the Company may be granted to employees of the Company or any of its subsidiaries (including EDs), as well as such other persons as the Board may consider appropriate from time to time, on the basis of their contribution to the development and growth of the Company and its subsidiaries.

The maximum number of shares in respect of which options may be granted under the 2015 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the maximum number of shares permissible under the Listing Rules, being 10% of the total number of shares in issue as at the date of the 2015 AGM (being 106,389,669 shares, representing approximately 10% of the total number of issued shares of the Company as at the date of this Annual Report). Under the Listing Rules, a listed issuer may seek approval from its shareholders in a general meeting to “refresh” the 10% limit under the 2015 Share Option Scheme. In addition, the total number of shares that may be issued upon the exercise of all outstanding options granted but not yet exercised under the 2015 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time (or the maximum number of shares permissible under the Listing Rules). No options may be granted where such a grant would result in this 30% limit or the maximum permissible limit being exceeded.

The maximum entitlement of each participant under the 2015 Share Option Scheme must not, during any 12-month period, exceed the maximum number of shares permissible under the Listing Rules (which is 1% of the total number of shares in issue as at the date of the 2015 AGM, being 10,638,966 shares). The exercise price shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; and (ii) the average closing prices of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant. The consideration for each grant of option is HK\$1 and is required to be paid within 30 days from the date of grant, with full payment for the exercise price to be made upon the exercise of the relevant option.

Grant and vesting structures

Under the Company’s current policy, grants are to be made on a periodic basis, subject to fulfilment of specific corporate level performance conditions, including Group’s turnover growth, occupancy rate, property expenses ratio and underlying profit, whereas the size of the grant will be determined based on a multiple of the base salary and relevant individual performance metrics. The exercise period is 10 years. The vesting period is three years in equal proportions starting from the first anniversary of the grant, with the shares becoming fully vested on the third anniversary. The size of the grant will be determined with reference to a base salary multiple and job performance metrics. The Board reviews the grant and vesting structures from time to time.

Movement of share options

Since the 2005 Share Option Scheme expired on 9 May 2015, no option was available for grant under the 2005 Share Option Scheme as at 1 January 2025 and 31 December 2025, respectively. No option was granted under the 2005 Share Option Scheme during the year.

The number of options available for grant under the scheme mandate limit of the 2015 Share Option Scheme as at 1 January 2025 was 99,699,340 and no option was available for grant as at 31 December 2025. During the period from 1 January 2025 to 14 May 2025 (date of expiry of the 2015 Share Option Scheme), no option was granted under the 2015 Share Option Scheme.

As at date of this Annual Report, share options exercisable into a total of 6,239,400 ordinary shares of the Company (“Shares”) granted and fully vested under the 2015 Share Option Scheme remained outstanding, representing approximately 0.61% of the total number of issued shares of the Company.

Details of options granted, exercised, lapsed, cancelled and outstanding under the Share Option Schemes during the year are as follows:

Name	Date of grant	Exercise price HK\$	Exercise period (Note a)	Outstanding options as at 1.1.2025	Changes during the year				Outstanding options as at 31.12.2025
					Granted	Exercised	Lapsed (Note b)	Cancelled (Note c)	
2005 Share Option Scheme									
Executive Director									
Lee Irene Yun-Lien	12.3.2015	36.27	12.3.2016–11.3.2025	300,000	–	–	(300,000)	–	–
Other employee participants	31.3.2015	34.00	31.3.2016–30.3.2025	5,000	–	–	(5,000)	–	–
				305,000	–	–	(305,000)	–	–

Name	Date of grant	Exercise price HK\$	Exercise period (Note a)	Outstanding options as at 1.1.2025	Changes during the year				Outstanding options as at 31.12.2025	
					Granted	Exercised	Lapsed (Note b)	Cancelled (Note c)		
2015 Share Option Scheme										
Executive Directors										
Lee Irene Yun-Lien	9.3.2016	33.15	9.3.2017–8.3.2026	375,000	–	–	–	–	375,000	
	23.2.2017	36.25	23.2.2018–22.2.2027	300,000	–	–	–	–	300,000	
	1.3.2018	44.60	1.3.2019–29.2.2028	373,200	–	–	–	–	373,200	
	22.2.2019	42.40	22.2.2020–21.2.2029	494,200	–	–	–	–	494,200	
	21.2.2020	29.73	21.2.2021–20.2.2030	650,000	–	–	–	–	650,000	
	26.2.2021	33.05	26.2.2022–25.2.2031	664,000	–	–	–	–	664,000	
	28.2.2022	23.25	28.2.2023–27.2.2032	819,000	–	–	–	–	819,000	
Lui Kon Wai	29.3.2018	41.50	29.3.2019–28.3.2028	179,000	–	–	–	–	179,000	
	29.3.2019	42.05	29.3.2020–28.3.2029	203,000	–	–	–	–	203,000	
	31.3.2020	25.20	31.3.2021–30.3.2030	262,000	–	–	–	–	262,000	
	31.3.2021	30.40	31.3.2022–30.3.2031	267,000	–	–	–	–	267,000	
	28.2.2022	23.25	28.2.2023–27.2.2032	400,000	–	–	–	–	400,000	
	Other employee participants	31.3.2016	33.05	31.3.2017–30.3.2026	20,000	–	–	–	–	20,000
		31.3.2017	35.33	31.3.2018–30.3.2027	74,000	–	–	–	–	74,000
	29.3.2018	41.50	29.3.2019–28.3.2028	124,000	–	–	–	–	124,000	
	29.3.2019	42.05	29.3.2020–28.3.2029	174,000	–	–	(4,000)	–	170,000	
	31.3.2020	25.20	31.3.2021–30.3.2030	223,000	–	–	(5,000)	–	218,000	
	31.3.2021	30.40	31.3.2022–30.3.2031	276,000	–	–	(7,000)	–	269,000	
	31.3.2022	23.36	31.3.2023–30.3.2032	389,000	–	–	(11,000)	–	378,000	
				6,266,400	–	–	(27,000)	–	6,239,400	

Notes:

- All options granted have a vesting period of three years in equal proportions, starting from the first anniversary of the grant and becoming fully vested on the third anniversary. "Exercise period" accordingly begins with the first anniversary of the date of grant.
- Options lapsed during the year in accordance with the rules of the Share Option Schemes.
- Options cancelled during the year in accordance with the rules of the Share Option Schemes.

Save as disclosed above, there is no further information which is required to be disclosed under Rule 17.07 of the Listing Rules.

Remuneration Committee Report

The 2024 Share Award Scheme

Terms & Purposes

The Company, on 19 January 2024 (the "Adoption Date"), adopted the 2024 Share Award Scheme. With a term of 10 years from the Adoption Date, the 2024 Share Award Scheme shall remain in force until 18 January 2034, subject to any early termination as may be determined by the Board pursuant to the scheme rules. The purposes of the 2024 Share Award Scheme are (i) to attract and retain critical talent and drive long-term commitment; (ii) to drive performance and a culture of excellence; and (iii) to instil a culture of accountability, engagement and sense of ownership within the Group.

Administration

The Board has delegated the administration of the 2024 Share Award Scheme to the Remuneration Committee, which consists solely of INEDs. This delegation ensures proper governance when reviewing and deciding on proposed grants of the share awards, guaranteeing that the administrator of the 2024 Share Award Scheme shall not be a participant in the scheme, aligning the objectives of the 2024 Share Award Scheme with Shareholders' interests.

Eligible Participants

Pursuant to the 2024 Share Award Scheme, the Remuneration Committee, as authorised by the Board, may, from time to time, exercise its absolute discretion in selecting any employee (for this purpose only, including without limitation, any Director) of any member of the Group (other than any Excluded Employee (as defined in the Company's announcement dated 19 January 2024)) for participation (the "Selected Employee"), and grant such number of Shares (the "Awarded Shares") to any Selected Employee at no consideration and subject to such terms and conditions as it may in its absolute discretion determine.

Maximum number of Shares

The maximum number of Shares that may be awarded under the 2024 Share Award Scheme during its term is limited to 20,540,164 Shares, representing approximately 2% of the issued share capital of the Company as at the Adoption Date.

Maximum entitlement

The maximum number of Awarded Shares that may be granted under the 2024 Share Award Scheme to any Selected Employee shall not exceed 0.5% of the issued share capital of the Company from time to time (being 5,135,041 Shares as at the date of this Annual Report).

Purchase of Shares by the 2024 Scheme Trustee

Shares under the 2024 Share Award Scheme will be purchased on the Stock Exchange at the prevailing market price, by BOCI Trustee (Hong Kong) Limited (the "2024 Scheme Trustee"), the trustee of the 2024 Share Award Scheme, at the cost of the Company and the Awarded Shares will be held by the 2024 Scheme Trustee in trust for the relevant Selected Employee(s) under the 2024 Share Award Scheme until vesting.

During the year, 156,000 Shares were purchased by the 2024 Scheme Trustee on the Stock Exchange for the purpose of the 2024 Share Award Scheme. As at 31 December 2025, 126 unvested Shares were held by the 2024 Scheme Trustee.

Grant and Vesting

As delegated by the Board, the Remuneration Committee has the authority to determine the granting and the vesting period of the Awarded Shares under the 2024 Share Award Scheme.

Awarded Shares comprise: (i) performance shares (“Performance Shares”) and (ii) restricted shares (“Restricted Shares”). Generally, a higher proportion of Performance Shares would be granted to senior management to place greater emphasis on linking incentives with Hysan’s long-term strategy and value creation for Shareholders. The Restricted Shares are intended to attract and retain critical talent, especially at the junior and middle levels. The vesting period and structure are carefully designed to promote these objectives:

- (i) Performance Shares will vest on the third anniversary of the date of grant subject to the achievement of Company’s performance target. This target is measured by relative Total Shareholder Return (“TSR”), which takes into consideration share price performance and dividend, over a three-year performance period. Hysan’s TSR is compared against a group of pre-determined peer companies to determine the percentile rank, which in turn establishes a direct linkage between the vesting percentage and shareholder value creation. The target performance level for TSR is the 50th percentile of peer companies’ performance, while the maximum performance level is the 80th percentile or above of peer companies’ performance, at which 150% of the target number of Performance Shares will vest.
- (ii) Restricted Shares have a vesting period of three years in equal proportions, starting from the first anniversary of the grant and becoming fully vested on the third anniversary. This enhances attraction, motivation and retention of talent through time-vesting.

The 2024 Share Award Scheme incorporates clawback mechanisms to recover, cancel, forfeit or withhold any Awarded Shares for both good and bad leaver scenarios.

In determining the number of Awarded Shares granted to Selected Employees, the following key factors are considered: (i) individual performance rating, potential and expected long-term contribution to the Group, (ii) the financial condition and performance of the Group (such as turnover, expense ratio, EPS, portfolio year-end occupancy, achievement of key strategic initiatives, etc.), as well as (iii) alignment with the Group’s long-term strategy, corporate culture and core values in the achievement of the pre-determined long-term objectives and development plan.

Basis of determining the purchase price of Awarded Shares

Not applicable.

Movement of Share Awards

During the year, a total of 49,255 Awarded Shares were granted to Selected Employees at nil consideration under the 2024 Share Award Scheme. As at date of this Annual Report, 19,243,957 Shares are available for grant under the 2024 Share Award Scheme, representing approximately 1.87% of the total number of issued Shares as at the date of this report.

Remuneration Committee Report

Movements in the Awarded Shares during the year are set out below:

Name	Date of Grant	Vesting period	Fair Value per Awarded Share HK\$ (Note a)	Closing price of Shares immediately before the date of grant HK\$	Unvested as at 1.1.2025	Changes during the year				Unvested as at 31.12.2025
						Granted	Vested (Note g)	Lapsed (Note e)	Cancelled (Note f)	
2024 Share Award Scheme										
Executive Directors										
Lee Irene Yun-Lien	1.4.2024	1.4.2025–1.4.2027	12.62	12.62	463,369	–	(46,337)	–	–	417,032
Lui Kon Wai	1.4.2024	1.4.2025–1.4.2027	12.62	12.62	269,925	–	(26,992)	–	–	242,933
Five highest paid individuals (excluding the Executive Directors) during the Review Period (“Five Highest Paid Individuals”)	1.4.2024	1.4.2025–1.4.2027	12.62	12.62	259,648	–	(30,846)	–	–	228,802
	1.4.2025	1.4.2026–1.4.2028	12.60 (Note b)	12.60	–	16,204 (Note c)	–	–	–	16,204
Other grantees	1.4.2024	1.4.2025–1.4.2027	12.62	12.62	302,035	–	(51,699)	(45,870)	–	204,466
	1.4.2025	1.4.2026–1.4.2028	12.60 (Note b)	12.60	–	33,051 (Note d)	–	(2,155)	–	30,896
					1,294,977	49,255	(155,874)	(48,025)	–	1,140,333

Notes:

- The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment. According to HKFRS 2, the fair value of the employee services received in exchange for the grant of the Awarded Shares is recognised as an expense, with a corresponding increase in equity, over the vesting period of the Awarded Shares. The amount recognised as an expense is adjusted to reflect the number of Awarded Shares for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of Awarded Shares that meet the related service and non-market performance conditions at the vesting date.
- The fair value of the Awarded Shares was calculated based on the closing price of the Shares immediately before the date of grant (i.e. 31 March 2025), which was HK\$12.60 per share.
- Among the 16,204 Awarded Shares granted to the Five Highest Paid Individuals, 4,861 Awarded Shares are Restricted Shares and 11,343 Awarded Shares are Performance Shares.
- Among the 33,051 Awarded Shares granted to other grantees, 13,221 Awarded Shares are Restricted Shares and 19,830 Awarded Shares are Performance Shares.
- Awarded Shares lapsed during the year in accordance with the rules of the 2024 Share Award Scheme.
- Awarded Shares cancelled during the year in accordance with the rules of the 2024 Share Award Scheme.
- In respect of Awarded Shares which vested during the year ended 31 December 2025, the weighted average closing price of the Shares immediately before the relevant vesting dates (i.e. 31 March 2025) was HK\$12.60 per Share.

Save as disclosed above, there is no further information which is required to be disclosed under Rule 17.07 of the Listing Rules.

The total number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the year ended 31 December 2025 was 19,243,957, representing approximately 1.87% of the weighted average number of issued shares of the relevant class in issue (excluding treasury shares) of the Company for the year ended 31 December 2025, which was 1,027,008,223 shares.

During the year, the Remuneration Committee reviewed and endorsed the grant of share awards under the 2024 Share Award Scheme.

COMMITTEE EFFECTIVENESS

The Committee's effectiveness was formally reviewed during the year as part of the Board evaluation process, which concluded that the Committee continues to operate effectively.

Members of the Remuneration Committee

Chung Cordelia (Chairman)
Churchouse Frederick Peter
Young Elaine Carole

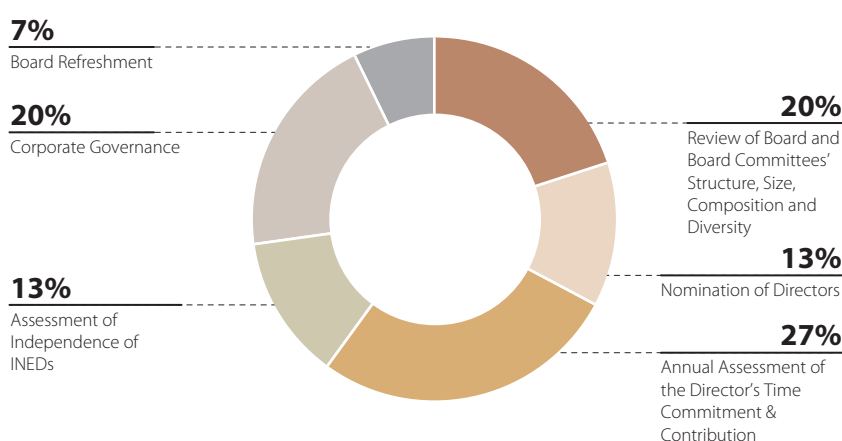
Hong Kong, 26 February 2026

Nomination Committee Report

Dear Shareholders,

We are pleased to present the Nomination Committee Report for 2025. The primary roles of the Nomination Committee are to review the Board's structure, size, composition and diversity, to ensure our Nomination Policy and selection processes remain aligned with good practices, and to recommend Board appointments and succession planning. The roles of the Directors continue to evolve in line with the growing demands of regulatory requirements and a fast-changing business environment. The Board is constantly looking ahead to ensure our Directors possess the skills, knowledge, experience and diversity of perspectives required to complement the Company's strategy, VMVs and desired culture. During the year, we were pleased to welcome Ms. Wong Ching Ying Belinda as a member of the Nomination Committee.

Committee activities and agenda time during the year



Composition in 2025	Lee Irene Yun-Lien (Chairman) Chung Cordelia* Churchouse Frederick Peter* Poon Chung Yin Joseph* (ceased to be a member on 5 June 2025) Wong Ching Ying Belinda* (appointed on 5 June 2025) Lee Chien * INED
Independence Weighting	60%
Female Representation	60%
Meeting Schedule	<ul style="list-style-type: none"> At least one meeting a year One meeting in 2025
Highlights in 2025	<ul style="list-style-type: none"> Considered Board refreshment and Board Committee's composition Considered the re-appointment of Directors and independence of INEDs Conducted an annual assessment of time commitment and contribution to the Board by each Director Reviewed the Board skills matrix to assess strategic alignment with Board expertise and identify recruitment priorities Oversaw the achievement of measurable objectives under the Board Diversity Policy by maintaining a 40% female Board representation Reviewed and considered the progress made towards achieving the measurable objectives for workforce diversity Reviewed and updated its terms of reference

ROLES AND AUTHORITIES

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

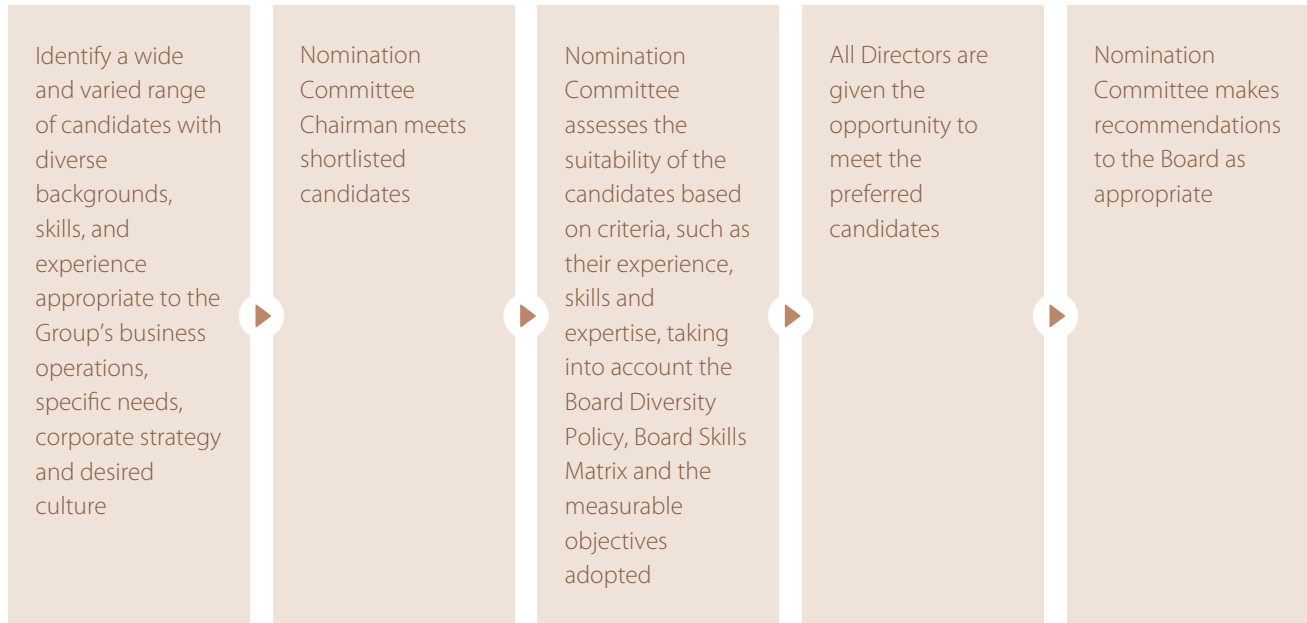
- Review and make recommendations on the structure, size and composition (including the skills, knowledge and experience) and diversity of the Board. This review considers the need for any changes or enhancements to the Board's composition, including the perspectives and further skills required to complement the Company's strategy, VMVs and desired culture;
- Oversee the implementation and review the effectiveness of the Nomination Policy, the Board Diversity Policy and Workforce Diversity Policy on an annual basis;
- Support the regular evaluation of the performance of the Board and assist the Board in maintaining and evaluating the board skills matrix;
- Assess the independence of INEDs pursuant to the Listing Rules requirements;
- Make recommendations to the Board on the appointment or reappointment of Directors, as well as any proposed changes to the Board to complement the Company's strategy;
- Oversee the general succession planning of the Board and senior management team;
- Oversee the human capital of the Group;
- Review and assess the time commitment and contribution of each Director as well as his/her ability to discharge his/her responsibilities effectively on an annual basis;
- Review the training and continuous professional development of the Directors and senior management;
- Review the gender diversity progress and evaluation of targets set for achieving gender diversity at Board level and across the workforce; and
- Recommend the nomination of Directors after careful consideration of the attributes and values required under the Company's Nomination Policy, taking into account diversity aspects (including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service, listed issuer directorships and other significant external time commitments) and our diversity agenda, as set out in the Board Diversity Policy.

The NC runs a well-structured process for board refreshment, succession, and skills planning, helping ensure the Board remains fit for purpose.

Directors' comments received in 2025 Board Evaluation

Nomination Committee Report

Director Recruitment Process



ACTIVITIES

In 2025, the Nomination Committee held one meeting. Details of matters discussed in the Nomination Committee meeting are given below.

Annual Assessment

During the year, the Nomination Committee conducted an annual assessment of each Director's time commitment, contributions and ability to discharge their responsibilities effectively. The assessment was carried out using criteria designed to ensure an impartial evaluation, including the following:

Involvement on the Board and Board Committees

- Reviewed the time commitment of each Director, based on their capacities (ED, NED or INED) and their memberships in the Board Committees.
- Reviewed and assessed each Director's participation in meetings and Board affairs, including their attendance rate, consideration of Board papers, business proposals, and monthly updates from management, concerns raised and independent judgment exercised during meetings.
- Constructive advice on issues faced by the Company.
- Reviewed the 2025 Board Evaluations results, including constructive feedback.
- Reviewed the communication and engagement beyond the boardroom, including separate meetings with the Chairman and senior management, and interactions with fellow Board members.

Familiarity with and knowledge of the business

- Reviewed the continuing professional development (time spent and topics) taken by each Director through expert briefings, seminars, readings and conferences organised by Hysan and external parties during the year, ensuring that all Directors stay abreast of relevant regulatory developments and fulfilled the recommended training hours for the year ended 31 December 2025 (please refer to pages 84 to 85 for Continuous Professional Development).

Other Factors – Ability to Discharge Responsibilities Effectively

- Reviewed and assessed each Director’s skills and experience, ensured alignment with the Company’s strategy, VMVs and desired culture.
- Reviewed the significant external time commitments of each Director.
- Considered the integrity and transparency of each Director, including potential conflicts of interest disclosed through other directorships and significant commitments.
- Considered each Director’s adherence to corporate culture and core values of the Group.

Composition of the Board and Board Committees

When reviewing the composition of the Board and Board Committees, the Nomination Committee took into account the following:

Board and Board Committees Refreshment

- Following the retirement of Mr. Poon Chung Yin Joseph as an INED, the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee, with effect from 5 June 2025:
 - Considered and endorsed the nomination of Mr. Churchouse Frederick Peter as the chairman of the Audit and Risk Management Committee and recommended his re-designation for the Board’s approval. The recommendation was made on the basis of Mr. Churchouse’s expertise in asset valuation, capital management, finance and risk management.
 - Considered and endorsed the nomination of Ms. Wong Ching Ying Belinda as a member of the Nomination Committee and recommended for Board’s approval on the basis of her senior executive experience in people management, talent development and succession planning, in accordance with the Company’s Nomination Policy and Board Diversity Policy.
- Considered Board refreshment and succession planning, taking into account Hysan’s Board skills matrix, diversity agenda, measurable objectives and increasing regulatory and governance concerns regarding long-serving INEDs as well as potential new regulatory requirements.
- Recommended the re-election by rotation of Directors at the 2026 AGM to the Board.

Board Skills Matrix

- Assessed the structure, size, composition and diversity of the Board and Board Committees, and monitored the progress made towards enriching the skills matrix and experience of Board members, while improving Board diversity in its widest sense (including gender) in line with the Company’s strategy and to meet evolving business needs. The Nomination Committee also reviewed the availability of appropriate skills and competencies within the Board to oversee sustainability strategies, including climate-related risks and opportunities. The Nomination Committee was satisfied that the current composition and size of the Board is appropriate for the time being.
- Reviewed the Board skills matrix to map the current expertise of the Board as a strategic tool to identify future recruitment priorities. This mapping ensures that the nomination process remains objective and that any potential skill gaps are addressed in considering Board refreshment and succession planning.
- The Board continued to engage Ms. Li Xinzhe Jennifer as an advisor to the Board to enrich the Board’s skills and diversity and support its strategic decision-making.

Nomination Committee Report

Board and Workforce Diversity

The Nomination Committee reviewed the Board's diversity agenda and the progress made in achieving its measurable objectives under the Board Diversity Policy. Having achieved its target by maintaining 40% of female Board representation during the year, the Nomination Committee will continue to monitor the Group's progress in refreshing its Board against its aim to achieve and maintain a Board with a broad range of diversity perspectives, with the ultimate goal of achieving gender parity at the Board level.

The Nomination Committee also reviewed the gender diversity of its members and is satisfied with the current composition of three female committee members (60% female), which is above the Listing Rules requirement.

The Nomination Committee further reviewed the progress made in achieving the measurable objective under the Workforce Diversity Policy of maintaining at least 40% female employees (including female senior management) and reaffirmed its commitment to inclusion and diversity throughout the Group's recruitment and promotion processes.

Independence of INEDs

The Nomination Committee assessed the independence and commitment of each INED during the year. Details of Board Independence, including the process of Independence Assessment, are set out on pages 76 to 79.

The Nomination Committee and the Board were thus satisfied that, notwithstanding the length of service of each INED, as well as the number and nature of offices they hold in other public companies and/or their other significant commitments, they remained highly committed, are independent and impartial, and continue to be in a position to discharge their duties and responsibilities in the coming year.

Review of Policies

During the year, the Nomination Committee reviewed the Nomination Policy, the Board Diversity Policy and the Workforce Diversity Policy in accordance with the CG Code. The review covered the respective measurable objectives of the Board and the workforce, as well as the progress made toward achieving them. All these policies are available on the Company's website.

COMMITTEE EFFECTIVENESS

The Nomination Committee's effectiveness was formally reviewed during the year as part of the 2025 Board Evaluation process, which concluded that the Nomination Committee continues to operate effectively, with a clear division of responsibilities and a strong commitment to Board refreshment and diversity.

Members of the Nomination Committee

Lee Irene Yun-Lien (Chairman)

Chung Cordelia

Churchouse Frederick Peter

Wong Ching Ying Belinda

Lee Chien

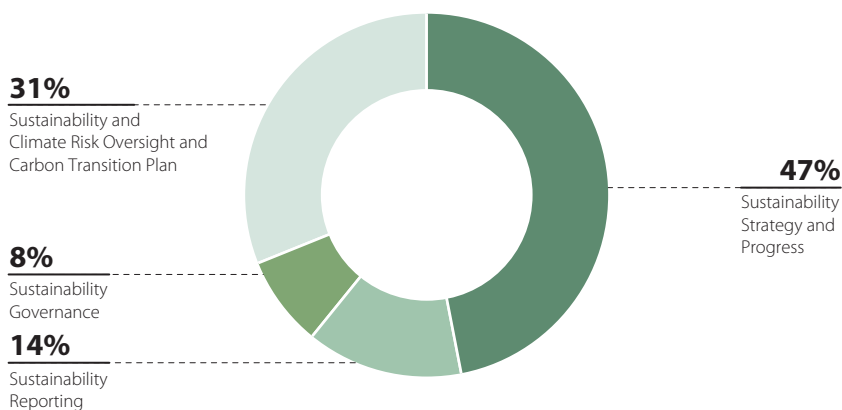
Hong Kong, 26 February 2026

Sustainability Committee Report

Dear Shareholders,

We are pleased to present the Sustainability Committee Report for 2025. The primary roles of the Sustainability Committee are to review and oversee the Group's overall vision and action plans for sustainability development, corporate responsibility, and related policies. The Committee is tasked with bringing sustainability-related issues including climate-related matters, to the attention of the Board. It also assesses and makes recommendations on matters concerning the Group's sustainability risks and opportunities, including those associated with climate.

Committee activities and agenda time during the year



Composition in 2025	Young Elaine Carole* (Chairman) Wong Ching Ying Belinda* Lee Tze Hau Michael * INED
Independence Weighting	66.7%
Meeting Schedule	<ul style="list-style-type: none"> At least one meeting every year Two meetings in 2025
Highlights in 2025 and 2026	<ul style="list-style-type: none"> Reviewed the Group's sustainability strategy and progress Assessed sustainability risks and issues, including the climate-related risks and opportunities Reviewed the need for updates to relevant policies or guidelines in response to the latest sustainability developments Reviewed the alignment and progress of the Group's sustainability targets and decarbonisation roadmap with SBTi requirements Reviewed the sustainability performance, including the status of climate-related actions. Reviewed the quarterly progress of key sustainability programmes and initiatives Reviewed and endorsed the sustainability report Reviewed and updated the Sustainable Procurement Policy

Sustainability Committee Report

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 and 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, assess and bring any sustainability-related risks and issues, including climate-related matters, to the attention of the Board and the Audit and Risk Management Committee as part of its oversight of the Group's overall enterprise risk management process;
- Monitor and review existing and/or emerging issues, trends and investments related to the corporate responsibility and sustainability priorities of the Group;
- 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 Environmental, Social and Governance Reporting Code issued by the Stock Exchange and the Listing Rules); and
- Review the annual sustainability report and relevant disclosures in the Company's annual report and provide recommendations to the Board for approval.

The SC provides clear leadership on sustainability priorities and is increasingly embedding ESG considerations into company strategy and reporting.

Directors' comments received in 2025 Board Evaluation

ACTIVITIES

Details of the meeting held in February 2025 were set out in the 2024 Annual Report.

From March 2025 to February 2026, the Sustainability Committee held two meetings and received quarterly updates on the sustainability progress of the Group from the management. Management (including the representative from the Sustainability Department) attended the meetings to present updates and answer questions and facilitate the Committee's decision-making process. Details of matters reported, discussed and/or considered during the year are given below.

Activities and Agenda of the Sustainability Committee Over the Past 12 Months

June 2025 Meeting	August Quarterly Update	November Quarterly Update	February 2026 Meeting
<ul style="list-style-type: none"> Sustainability Progress Update Q1 & Q2 2025 Progress Update of carbon emission target and decarbonisation roadmap Review of the Group's Sustainability Strategy & Framework and the associated corporate targets Update on policies, regulations and guidelines 	<ul style="list-style-type: none"> Sustainability Progress Update as at August 2025 (KPI performance) Review of corporate-target progress across environmental, social, and governance areas Review of carbon-emission targets and the decarbonisation roadmap as part of climate-related oversight Review of major community programmes and internal training initiatives delivered during the period 	<ul style="list-style-type: none"> Sustainability Progress Update as at October 2025 Review of corporate-target progress across environmental, social, and governance areas Review of carbon-emission targets and the decarbonisation roadmap as part of climate-related oversight Review of major community programmes and internal training initiatives delivered during the period Updated the Community Green Pledge preparation and tenant engagement 	<ul style="list-style-type: none"> Sustainability Progress Update – Full year 2025 Sustainability Report 2025 Review of regulatory changes and related updates to policies and guidelines Update on status of climate actions and other sustainability performance Annual review of the adequacy of resources for sustainability functions Annual review of sustainability related risks (including climate-related risks) Annual review of sustainability-related policies Annual review of the Committee's terms of reference

The Group's Sustainability Strategies & Framework

The Committee reviewed the Group's sustainability framework, which structures the sustainability strategy refined in 2024 and the associated KPIs and initiatives cascaded across all departments. It confirmed that the strategic framework remains appropriate and effective after a full year of implementation.

The Committee assessed potential sustainability-related risks and challenges, including climate-related risks and opportunities, benchmarked against international standards and industry peers, and subsequently reviewed the related action plans. Material sustainability matters, including climate-assessment progress and the status of decarbonisation efforts, were identified and reported to the Board.

Sustainability Committee Report

Sustainability Overview and Initiatives

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

- Ensured the Group's engagement strategy remains forward-looking and effective, with community programmes continuing to serve as a defining part of Hysan's heritage and a core pillar of its sustainability strategy;
- Reviewed sustainability measures supporting community and employee well-being, including safety and health;
- Reviewed the Group's sustainable finance framework, including instruments and initiatives supporting eligible green and social projects;
- Reviewed sustainability efforts and achievements against established objectives;
- Reviewed climate-related initiatives, assessing their effectiveness, impact and the action plans implemented to enhance the Group's climate response; and
- Reviewed long-term and short-term sustainability targets across the Group and assessed progress towards achieving them.

The Group's Climate and Environmental Performance

In terms of the Group's carbon emission target and decarbonisation road map, the Committee:

- Reviewed SBTi-based carbon-reduction targets and evaluated progress toward achieving these commitments;
- Reviewed the Group's decarbonisation strategy supporting near-term targets and the advancements made; and
- Reviewed other environmental targets and reduction strategies, including proposed waste-reduction and water-reduction targets.

Sustainability Governance

With regard to sustainability governance, the Committee:

- Reviewed, endorsed and reported to the Board and the Audit and Risk Management Committee, as part of its oversight of the Group's enterprise risk management, on the major sustainability-related risks including climate-related risks and opportunities and the associated mitigation measures, as detailed in the Risk Management and Internal Control Report;
- Reviewed the sustainability governance framework, including the adequacy of resources for sustainability performance and reporting;
- Reviewed the Committee's terms of reference to support ongoing enhancement of the sustainability governance structure; and
- Reviewed sustainability-related policies, including the Climate Change Policy, for effectiveness in identifying, assessing, monitoring and reporting climate-related issues.

More details are set out in the Sustainability Report 2025.

COMMITTEE EFFECTIVENESS

The Committee's effectiveness was formally reviewed during the year as part of the Board evaluation process. The review concluded that the Group continues to deliver its sustainability responsibilities effectively and appropriately, consistent with the organisation's resourcing environment.

Members of the Sustainability Committee

Young Elaine Carole (Chairman)

Wong Ching Ying Belinda

Lee Tze Hau Michael

Hong Kong, 26 February 2026

Sustainability Report 2025 – Summary

This summary provides an overview of Hysan’s Sustainability Report 2025 (the “Sustainability Report”), presenting our sustainability approach and ESG performance for the year ended 31 December 2025. The Sustainability Report is prepared in accordance with the HKEX ESG Reporting Code (Appendix C2), which now incorporates enhanced climate-related disclosure requirements effective for financial years commencing on or after 1 January 2025. Disclosures follow the principles of materiality, quantitative, consistency and balance.

The Sustainability Report also references the Global Reporting Initiative (GRI) Standards 2021 and focuses on sustainability issues identified as material to Hysan’s business and its stakeholders. The Sustainability Report has received an independent opinion with a limited level of assurance from the Hong Kong Quality Assurance Agency.

COMMUNITY BUSINESS MODEL

Our sustainability approach, illustrated through our Community Business Model, provides a framework that brings together collaboration, innovation and responsible practices to support a more sustainable and resilient future. This framework remains relevant and effective, guiding us as we prioritise the wellbeing and aspirations of our communities. We focus on enhancing liveability, social wellbeing, environmental stewardship and positive economic impacts. Our goal is to create sustainable and vibrant neighbourhoods that can adapt to change while offering a lasting and distinctive community experience.

In 2025, Lee Gardens recorded over 3.3 million participant engagements across more than 220 programmes, resulting in more than 3.0 million Happy Hours. These figures reflect the level of activity within the community and were supported by ongoing improvements across connectivity, public-realm planning and a balanced commercial mix that brings together both traditional trades and modern urban culture.

OUR TARGETS AND COMMITMENT TO SBTi

Hysan’s science-based targets were validated in 2025. These targets commit to achieving a 46% reduction in absolute Scope 1 and Scope 2 emissions by 2031, using 2021 as the base year, and a 46% reduction in absolute Scope 3 emissions by 2031, using 2023 as the base year.

In 2025, we continued to advance our near-term decarbonisation pathway, with Scope 1 and 2 emissions down approximately 19% versus 2021 (-9% year-on-year) and continued progress on Scope 3, now mapped across all 15 categories with a focus on improving data quality. Electricity use remained about 7% below 2021 levels (-0.4% year-on-year), supported by continued optimisation and control measures.

We also continued to advance resource efficiency across our operations. Municipal water use declined by about 7% year on year, supported by the use of 2,112 cubic metres of harvested rainwater for non-potable purposes. Waste to landfill fell to 4,408 tonnes, a 6% reduction from the previous year, with a 13% diversion rate and 639 tonnes of recyclables collected. Sustainable finance remained an important enabler of our environmental objectives, with 44% of total debt raised through instruments aligned with our sustainability framework.


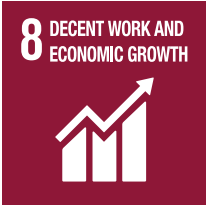


STATUS OF OUR CORPORATE TARGETS IN 2025

Category	Targets	Base Year	Status
Environment	<ul style="list-style-type: none"> Achieve 46% reduction in absolute scope 1 and 2 carbon emissions by 2031 	2021	On Track
	<ul style="list-style-type: none"> Achieve 46% reduction in absolute scope 3 carbon emissions by 2031 	2023	Partially achieved
	<ul style="list-style-type: none"> Achieve 10% reduction in water consumption intensity by 2031 	2021	Partially achieved
	<ul style="list-style-type: none"> Divert >50% waste from landfill by 2031 	Annual	Partially achieved
	<ul style="list-style-type: none"> Maintain at least 40% of debt financed by sustainable finance 	Annual	Achieved
Community	<ul style="list-style-type: none"> Engage >500,000 participants by hosting no fewer than 100 events covering arts & culture, wellness, sustainability and family 	Annual	Achieved
	<ul style="list-style-type: none"> Curate 2 million Happy Hours 		
	<ul style="list-style-type: none"> Maintain Lee Gardens neighbourhood co-existence ratio of traditional trade and modern urban culture shops to 25:75 		
	<ul style="list-style-type: none"> Provide support to 30% of the stakeholders in the Lee Gardens neighbourhood to help sustain their businesses 		
People	<ul style="list-style-type: none"> Reduce workplace injury rate to <0.5 injuries per 100 employees by 2030 	Annual	Partially achieved
	<ul style="list-style-type: none"> Zero work-related employee fatalities 	Annual	Achieved
	<ul style="list-style-type: none"> Increase number of training hours by 30% by 2030 	2022	On track
Governance	<ul style="list-style-type: none"> Maintain compliance with the Corporate Governance Code ("CG Code") of the Listing Rules 	On going	Achieved
	<ul style="list-style-type: none"> Maintain a minimum of 33% female representation on the Board 	On going	Achieved

Sustainability Report 2025 – Summary

CONTRIBUTION TO THE SDGs

Hysan continues to focus on SDGs most relevant to our operations and community impact — SDG 3 (Good Health & Well-being), SDG 8 (Decent Work & Economic Growth), SDG 11 (Sustainable Cities & Communities), and SDG 17 (Partnerships for the Goals)— through initiatives that enhance community wellbeing, strengthen operational performance and encourage collaboration across sectors.

SDGs		Hysan’s contribution towards achieving the respective SDGs
 <p>3 GOOD HEALTH AND WELL-BEING</p>	3 — Good Health and Wellbeing	<ul style="list-style-type: none"> • Promote community wellness and resilience, including health & safety via various programmes and activities, to stakeholders in the community. • Establish and maintain comprehensive management policies to provide a safe and healthy environment for our tenants, customers and staff at work and within our community.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	8 — Decent Work and Economic Growth	<ul style="list-style-type: none"> • Promote sustainable economic growth. • Support tenants’ business growth. • Nurture entrepreneurs and incubate innovative new businesses. Provide an inclusive environment of decent work¹.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	11 — Sustainable Cities and Communities	<ul style="list-style-type: none"> • Make cities and neighbourhoods inclusive, safe, resilient and sustainable. • Apply climate actions and develop green/WELL buildings to optimise impacts. • Develop smart communities that leverage technology to enhance liveability, connectivity and quality of life for stakeholders. • Undertake activities that contribute to community health and wellness, family and children, art and culture, environmental sustainability, diversity and inclusion.
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	17 — Partnerships for the Goals	<ul style="list-style-type: none"> • Mobilise multiple resources, including support from project partners, government and non-governmental organisations, to make positive impacts on communities through our operations. • Enhance the use of enabling technology to create smart solutions that improve operational efficiency and environmental performance, and develop smart communities to enhance liveability, connectivity and quality of life for stakeholders.

¹ By “decent work”, we mean providing employees with safe working conditions and opportunities for growth, while also promoting equality and respect for all workers.

CLIMATE RISK MANAGEMENT

We advanced our adaptation measures through asset level climate risk assessments across our Hong Kong portfolio, covering flooding, extreme rainfall, heat and typhoons. The findings have been incorporated into design and operational planning, including standardised flood readiness, reinforcement of roof drainage capacity, heat stress and microclimate considerations, and selective enhancements to façades and door restraint systems. Under the central climate scenario assessed, the financial implications are real but manageable, guiding a prioritised and evidence-based approach to strengthening resilience. For further details, please refer to the Sustainability Report 2025.

LEE GARDEN EIGHT — SEAMLESS ACCESS, EVERYDAY COMFORT, TECHNOLOGY-ENABLED OPERATIONS

Lee Garden Eight is progressing as the next milestone for Lee Gardens. An integrated pedestrian network of four bridges and a covered link is planned to provide a 5- to 7-minute sheltered route from the MTR to the development, improving movement and comfort in adverse weather. The scheme also includes approximately 60,000 square feet of green space for leisure and social use, and new facilities such as a performing arts venue and GIC provisions for childcare, elderly care and district level health. Technology adoption underpins delivery and operations, including more than 7,400 MiMEP² prefabricated modules, OpenBIM³ and an Asset Information Model. For mobility, LG8 will include 610 EV equipped spaces and a planned 48 bay supercharging hub; at full utilisation, the 610 EV spaces are expected to avoid more than 1,050 tonnes of CO₂e each year. Feasibility work on a district cooling system continues, subject to technical and commercial assessment.

INNOVATION AND PARTNERSHIPS — THE COMMUNITY LAB

Besides the significant adoption of technology at Lee Garden Eight, The Community Lab, run in partnership with HKSTP, continued to position Lee Gardens as a platform for testing and scaling practical innovations. Since inception, the programme has completed 17 pilots, achieved 17 adoptions and hosted over 180 innovation-related activities. In 2025, several solutions moved beyond initial trials, with indoor air-quality enhancements and other validated initiatives expanding from single-asset pilots to broader operational application across multiple assets.

PEOPLE, SAFETY AND COMMUNITY

People and safety remain core to how Lee Gardens operates. We continued to cultivate a balanced commercial environment that supports both long-established trades and contemporary brands, alongside accessible sports and wellness programmes. During the year, six youth rugby programmes reached 5,000 students and supported 70 academy athletes; more than 260 young participants took part in the structured mini touch-rugby pathway with around 2,500 training hours; and the Hysan Running Community recorded over 1,600 participations. Safety performance remained an area of focus. The injury rate was 2.97 percent with 15 injury-leave cases, and a total of 8,175 training hours were delivered to reinforce safe practices and support ongoing improvements.

² MiMEP – Multi-trade integrated Mechanical, Electrical, and Plumbing

³ OpenBIM – Open Building Information Modelling

Sustainability Report 2025 – Summary

SHAPING THE FUTURE THROUGH ESG

Environment

Looking ahead, Hysan will continue to advance decarbonisation and climate readiness under its validated science-based targets. Our priorities include strengthening Scope 3 data quality, progressing asset level adaptation actions identified through climate risk assessments, and applying optimisation, digital tools and asset planning to support long term energy and resource efficiencies. We will also deepen engagement with suppliers and tenants, expanding participation through the Lee Gardens Community Green Pledge to bring more tenants into practical actions on energy, water, waste and green fit outs.

Social

As Lee Garden Eight moves toward completion, we will continue to strengthen the Lee Gardens community as a place that supports wellbeing, accessibility and cultural vibrancy. The future green space will offer a new setting for social gatherings and community use, while the performing arts venue and GIC facilities for childcare, elderly care and district level health will bring a broader range of services within easy reach. These additions will complement our work to expand cultural and wellness programming and to deepen partnerships with schools and youth organisations, including through sports, arts and community initiatives. Alongside these enhancements, we will continue to reinforce health and safety measures across our operations to support a safe, well managed and welcoming environment for all who use Lee Gardens.

Governance

Hysan will continue to uphold the highest standards of corporate governance. We will ensure compliance with the Corporate Governance Code of the Listing Rules and strive to exceed these requirements where practicable, including in areas such as board diversity, cybersecurity and overall governance practices.

Together, we work towards a sustainable, inclusive, and ethically governed future for our community and stakeholders.

Directors' Report

The Directors submitted their report together with the audited consolidated financial statements for the year ended 31 December 2025, which were approved by the Board on 26 February 2026.

PRINCIPAL ACTIVITIES

The principal activities of the Group continued throughout 2025 to be property investment, management, and development. Details of the Group's principal subsidiaries, associates and joint ventures as at 31 December 2025 are set out in notes 16 to 18 respectively to the consolidated financial statements.

The turnover and results of the Group are principally derived from investment properties located in Hong Kong and Chinese Mainland. The Group's turnover and results by operating segment are set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on page 165.

The first interim dividend of HK27 cents per share, amounting to approximately HK\$277 million, was paid to Shareholders during the year.

The Board declared a second interim dividend of HK81 cents per share which will be payable in cash to the Shareholders whose names appear on the register of members of the Company on 13 March 2026, totaling approximately HK\$832 million. The dividends declared and paid for ordinary shares in respect of the full year 2025 will total approximately HK\$1,109 million, and the balance of the profit will be retained.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the business of the Group and a discussion and analysis of the Group's performance during the year, the material factors underlying its results and financial position and material attributable factors relating to the development and likely future developments of the Group's business, are provided throughout this Annual Report, particularly in the following separate sections:

- (i) Review of the Group's business – "Management's Discussion and Analysis";
- (ii) The Group's risk management framework, the principal risks the Group is facing and the controls in place – "Risk Management and Internal Control Report";
- (iii) Particulars of important events affecting the Group that have occurred since the end of the financial year 2025 – "Chairman's Statement", "Management's Discussion and Analysis" and "Notes to the Consolidated Financial Statements";
- (iv) Future development of the Group's business – "Key Facts" and "Chairman's Statement";
- (v) Analysis using financial key performance indicators – "Management's Discussion and Analysis";
- (vi) Discussion of the Group's environmental policies and performance – "Sustainability Report 2025 – Summary";
- (vii) Discussion of the Group's compliance with the relevant laws and regulations that have a significant impact on the Group – "Corporate Governance Report", "Sustainability Report 2025 – Summary" and "Independent Auditor's Report"; and
- (viii) An account of the Group's key relationships with its employees, customers, suppliers and others that have a significant impact on the Group and on which the Group's success depends – "Directors' Report" and "Sustainability Report 2025 – Summary".

Directors' Report

A detailed discussion of the Group's environmental policies and performance, its compliance with the relevant laws and regulations that have a significant impact on the Group, and its key relationships with stakeholders, is contained in the separate Sustainability Report 2025, which is available on the websites of both the Stock Exchange and the Company.

These discussions form part of this Directors' Report.

RESERVES

Movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity on pages 168 and 169 and note 30 to the consolidated financial statements respectively.

INVESTMENT PROPERTIES

All of the Group's investment properties were revalued by an independent professional valuer as at 31 December 2025 using the fair value model. Details of movements during the year in the investment properties of the Group are set out in note 14 to the consolidated financial statements.

Details of the major investment properties of the Group as at 31 December 2025 are set out in the section "Schedule of Principal Properties" of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 29 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance and fully complied with the code provisions of the CG Code throughout the year.

Further information on the Company's corporate governance practices is set out in the following separate reports:

- (a) "Corporate Governance Report" (pages 40 to 107) – this gives detailed information on the Group's compliance with the CG Code and relevant laws and regulations, its adoption of local and international best practices, Directors' service contracts, and Directors' interests in shares, contracts and competing business;
- (b) "Risk Management and Internal Control Report" (pages 108 to 116) – this sets out the Group's framework for risk assessment and internal control (including control environment, control activities and work completed during the year);
- (c) "Audit and Risk Management Committee Report" (pages 117 to 123) – this sets out the terms of reference, work performed and findings of the Audit and Risk Management Committee for the year;
- (d) "Remuneration Committee Report" (pages 124 to 135) – this gives detailed information on Directors' remuneration and interests (including information on Directors' compensation);
- (e) "Nomination Committee Report" (pages 136 to 140) – this sets out the terms of reference, work performed and findings of the Nomination Committee for the year; and
- (f) "Sustainability Committee Report" (pages 141 to 145) – this sets out the terms of reference, work performed and findings of the Sustainability Committee for the year.

Further information on the Group's sustainability policies and practices is contained in the separate Sustainability Report 2025, which is available on the websites of both the Stock Exchange and the Company.

THE BOARD

As at 31 December 2025 and up to the date of this Annual Report, the composition of the Board is set out below:

Lee Irene Yun-Lien (*Chairman*)

Lui Kon Wai (*Executive Director and Chief Operating Officer*)

Chung Cordelia**

Churchouse Frederick Peter**

Wong Ching Ying Belinda**

Young Elaine Carole**

Zhang Yong**

Lee Anthony Hsien Pin*

(*Lee Irene Yun-Lien as his alternate*)

Lee Chien*

Lee Tze Hau Michael*

* NED

** INED

Directors' Report

Mr. Poon Chung Yin Joseph retired as an INED and ceased to be the chairman of the Audit and Risk Management Committee and a member of the Nomination Committee effective from the conclusion of the 2025 AGM.

The biographical details of the Directors are set out on pages 56 to 64. Details of their remuneration are set out in note 10 to the Financial Statements.

Under Article 114 of the Articles, one-third (or such other number as may be required under applicable legislation) of the Directors (and where the applicable number is not an integral number, to be rounded upwards), who have been longest in office shall retire from office by rotation at each AGM. A retiring Director is eligible for re-election.

Particulars of Directors seeking re-election at the forthcoming 2026 AGM are set out in the related circular to Shareholders.

The Company received from each INED annual confirmation of his or her independence with regard to each of the factors referred to in Rule 3.13 (1) to (8) of the Listing Rules, and the Company considered all of them to be independent. The Nomination Committee also reviewed the Directors' independence in a meeting held in November 2025 (See "Corporate Governance Report" and "Nomination Committee Report").

The names of Directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report are available on the Company's website: www.hysan.com.hk.

DIRECTORS' INTERESTS IN SHARES

Details of the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations are set out in "Corporate Governance Report" on pages 96 to 97.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 31 December 2025, the interests or short positions of substantial Shareholders and other persons of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company, were as follows:

Aggregate long/short positions in shares and underlying shares of the Company

Name	Capacity	Long/Short Position	Number of ordinary shares held	% of the total no. of issued shares (Note)
Lee Hysan Company Limited	Beneficial owner	Long	433,130,735	42.17

Note:

The percentage was computed based on the total number of issued shares of the Company as at 31 December 2025 (i.e. 1,027,008,223 ordinary shares).

Apart from the above, no other interest or short position in the shares or underlying shares of the Company was recorded in the register that is required to be kept under Section 336 of the SFO as at 31 December 2025.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as “Related Parties” under applicable accounting principles. These mainly relate to contracts entered into by the Group in the ordinary course of business and that were negotiated on normal commercial terms and on an arm’s length basis. Further details are set out in note 35 to the consolidated financial statements.

Some of these transactions also constituted “Continuing Connected Transactions” and “Connected Transactions” under the Listing Rules, as identified below.

CONTINUING CONNECTED TRANSACTIONS

The following transactions entered into by the Group constituted continuing connected transactions (the “Continuing Connected Transactions”) that were subject to announcement, reporting and annual review requirements but exempt from the circular and Shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules. Details of the Continuing Connected Transactions subsisting during the year and required to be disclosed are set out as follows:

I. Lease granted by the Group

The following agreements (“Hysan Place Lease Agreements”) were entered into by Earn Extra Investments Limited (“Earn Extra”), a wholly-owned subsidiary of the Company and the owner of Hysan Place, 500 Hennessy Road, Hong Kong (“Hysan Place”), as landlord, with the following connected person:

Connected person	Date of agreements	Terms	Premises	Annual Caps (Note a)
Jebsen and Company Limited (“Jebsen & Co”) (Note b)	(i) 28 October 2024 (“Original Lease”) (Note c)	18 months commencing from 1 November 2024 to 30 April 2026 (early terminated on 30 September 2025 (Note d))	The whole of 20th, 21st and 22nd Floors of Hysan Place	2024: HK\$9,700,000 (on pro-rata basis)
				2025: HK\$59,000,000 2026: HK\$20,000,000 (on pro-rata basis)
	(ii) 29 August 2025 (“New Lease”) (Note c)	Three (3) years commencing from 1 October 2025 to 30 September 2028		2025: HK\$12,100,000 (on pro-rata basis) 2026: HK\$49,000,000 2027: HK\$50,000,000 2028: HK\$38,000,000 (on pro-rata basis)

Notes:

- The annual aggregated consideration payable by Jebsen & Co under the Hysan Place Lease Agreements includes the rent and operating charges (subject to revision as may be notified by Earn Extra from time to time) but excludes Government rates and other outgoings and shall be paid in cash in advance on a monthly basis. The rents for the Original Lease and the New Lease are HK\$3,846,480 per month and HK\$3,125,265 per month respectively. The operating charges of both of the Hysan Place Lease Agreements are HK\$524,083 per month.
- Jebsen & Co is a connected person of the Company at the subsidiary level under the Listing Rules by virtue of it being a substantial shareholder holding 10% equity interest in Barrowgate Limited (“Barrowgate”), an indirect non-wholly-owned subsidiary of the Company. Accordingly, the Hysan Place Lease Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.
- The aggregate contract amounts for transactions contemplated under the Hysan Place Lease Agreements, calculated based on rental and operating charges at prevailing rates, for the period from 1 January 2025 to 30 September 2025 and from 1 October 2025 to 31 December 2025 were HK\$41,323,048 and HK\$11,538,607 respectively (HK\$52,861,655 in total for the financial year ended 31 December 2025).
- By a termination agreement dated 29 August 2025, Earn Extra and Jebsen & Co agreed to terminate the Original Lease with effect from the commencement date of the New Lease. As the original term of the Original Lease would expire on 30 April 2026, the New Lease was entered into by Earn Extra as a result of the negotiation of a renewal of the Original Lease.

Directors' Report

All the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the respective companies within the Group, after due negotiations on an arm's length basis with reference to the prevailing market conditions. Announcements in respect of the Continuing Connected Transactions were published in accordance with the Listing Rules. The Company confirms that it has complied with the disclosure requirements under Chapter 14A of the Listing Rules insofar as applicable.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 155 to 156 of the Annual Report in accordance with Rule 14A.56 of the Listing Rules.

The Company's Internal Audit has reviewed the Continuing Connected Transactions and the related internal control procedures, and concluded that the internal control procedures are adequate and effective. Pursuant to Rule 14A.55 of the Listing Rules, all INEDs have reviewed the Continuing Connected Transactions and the report of the auditor, and confirmed that each of the Continuing Connected Transactions has been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

CONNECTED TRANSACTIONS

The following transactions entered into by the Group during the year constituted connected transactions (“Connected Transactions”) which were subject to the announcement and reporting requirements but exempt from the circular and independent Shareholders’ approval requirements under the Listing Rules. Details of the Connected Transactions are set out as follows:

I. Disposals of Residential Units at Bamboo Grove

Kwong Wan Realty Limited, a wholly-owned subsidiary of the Company and the registered owner of Bamboo Grove (竹林苑), Nos. 74-86 Kennedy Road, Hong Kong (“Bamboo Grove”) as vendor entered into the following agreements with the purchasers respectively:

Purchaser and Connected person	Date of agreements	Nature and Premises	Total Consideration
(i) Sharp Focus Limited (“Sharp Focus”) (Notes a & b)	(a) Preliminary agreement for sale and purchase: 3 October 2025	Sale and purchase of a residential unit at Bamboo Grove with a saleable area of approximately 2,191 square feet (“Disposal A”)	HK\$56,390,000
	(b) Formal agreement for sale and purchase: 17 October 2025		
(ii) Mr. Nicolas Hugh Ingram (“Mr. Ingram”) (Notes c & d)	(a) Preliminary agreement for sale and purchase: 3 October 2025	Sale and purchase of two residential units at Bamboo Grove with saleable areas of approximately 1,451 square feet and approximately 1,503 square feet (“Disposal B”)	HK\$77,230,000
	(b) Formal agreement for sale and purchase: 3 November 2025		
(iii) Verdant Peak Investment Limited (“Verdant Peak”) (Notes e & f)	(a) Preliminary agreement for sale and purchase: 24 October 2025	Sale and purchase of a residential unit at Bamboo Grove with a saleable area of approximately 2,084 square feet (“Disposal C”)	HK\$53,540,000
	(b) Formal agreement for sale and purchase: 7 November 2025		

Notes:

- Sharp Focus is a company incorporated in Hong Kong with limited liability and wholly-owned by Ms. Chou Hok Yee Kitty, spouse of Mr. Lee Chien who is a NED. Hence, Sharp Focus is a connected person of the Company under the Listing Rules. The entering into of the agreements under Disposal A therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.
- Mr. Lee Chien has a material interest in Disposal A and abstained from voting on the relevant Board resolutions approving such disposal. While Ms. Lee Irene Yun-Lien, the Chairman, Mr. Lee Anthony Hsien Pin and Mr. Lee Tze Hau Michael, NEDs, have no material interest in Disposal A, they are members of the Lee family and thus voluntarily abstained from voting on the relevant Board resolutions approving Disposal A.
- Mr. Ingram is the son of Ms. Lee Irene Yun-Lien, the Chairman and hence a connected person of the Company under the Listing Rules. The entering into of the agreements for Disposal B therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.
- Ms. Lee Irene Yun-Lien has a material interest in Disposal B and abstained from voting on the relevant Board resolutions approving such disposal. While Mr. Lee Anthony Hsien Pin, Mr. Lee Chien and Mr. Lee Tze Hau Michael, NEDs, have no material interest in Disposal B, they are members of the Lee family and thus voluntarily abstained from voting on the relevant Board resolutions approving Disposal B.
- Verdant Peak is a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Zhang Yong, an INED. Hence, Verdant Peak is a connected person of the Company under the Listing Rules, and the entering into of the agreements under Disposal C therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.
- Mr. Zhang Yong has a material interest in Disposal C and abstained from voting on the relevant Board resolutions approving such disposal.

Details of Disposals A and B were disclosed in the Company’s announcement dated 3 October 2025 and details of Disposal C were disclosed in the Company’s announcement dated 24 October 2025.

Directors' Report

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

There were no transactions, arrangements or contracts that are significant in relation to the businesses of the Company and its subsidiaries to which the Company or any of its subsidiary was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate amount of purchases attributable to the Group's five largest suppliers was less than 30% (being the Listing Rule disclosure threshold) of total purchases of the Group. The aggregate amount of turnover attributable to the Group's five largest customers was also less than 30% (being the Listing Rule disclosure threshold) of total turnover of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Group repurchased, by way of tender, part of the 4.1% Subordinated Guaranteed Perpetual Capital Securities (the "2020 Subordinated Securities") in an aggregate principal amount of US\$690 million (equivalent to approximately HK\$5,365 million) with a cash consideration of HK\$5,366 million. Such repurchased securities were subsequently cancelled in accordance with their terms and conditions. The Group subsequently redeemed in whole the outstanding 2020 Subordinated Securities in an aggregate principal amount of US\$60 million (approximately HK\$466 million) with a cash consideration of HK\$467 million, representing approximately 7% of the principal amount of such securities initially issued. Following such redemption, the 2020 Subordinated Securities were cancelled and there were no 2020 Subordinated Securities in issue.

During the year, the Group made on-market repurchase of part of the 4.85% Senior Perpetual Capital Securities (the "Senior Perpetual Securities") in an aggregate principal amount of US\$5 million (equivalent to approximately HK\$37 million) with a cash consideration of HK\$32 million, representing approximately 1% of the principal amount of such securities initially issued, which was cancelled in January 2026.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the year.

EQUITY-LINKED AGREEMENTS

Saved as the information disclosed under the section headed "Long-term Incentives: Share Schemes" of the Remuneration Report on pages 129 to 134, the Company did not enter into any equity-linked agreement for the year ended 31 December 2025, nor was there any equity-linked agreement entered into by the Company subsisting as at 31 December 2025.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

DONATIONS

During the year, the Group made donations of approximately HK\$6 million to charitable and non-profit-making organisations.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him or her in the execution of the duties of his or her office or in relation thereto. The Directors and Officers Liability Insurance (“D&O Insurance”) taken out by the Company throughout the year provides adequate cover for such indemnities to all the Directors of the Company and its subsidiaries. The relevant provisions in the Articles and the D&O Insurance were in force during the financial year ended 31 December 2025 and as of the date of this report.

AUDITOR

A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company is to be proposed at the forthcoming 2026 AGM.

By Order of the Board

Lee Irene Yun-Lien

Chairman

Hong Kong, 26 February 2026