



2009 Corporate Responsibility Report

Towards a Sustainable Community

Hysan strives to be both successful and responsible, encapsulating the “triple bottom line” in financial, environmental and social performances. This belief underlies our ultimate aim of developing our Causeway Bay hub into a sustainable community, a choice location for people to live and work, both now and into the future.

This edition of Hysan’s Corporate Responsibility Report interviews Dr. L.K. CHAN, our Design and Project Director, who highlights the sustainability aspects of our Hennessy Centre redevelopment project, Hong Kong’s first United States Green Building Council’s Leadership in Energy and Environmental Design standard (LEED) Platinum pre-certified commercial development.

This Report also highlights the Group’s promotion of healthy living amongst our staff, as well as the construction safety programmes that take place in our main development site.

Finally, community engagement is of utmost importance to a business that takes a long-term view in all of its decision-making. Our community section of the Report brings to light the fruitful work of our volunteer team, plus a focus on the third installment of Hysan’s community programme for ethnic minority students, Project Go-Ahead.

We are encouraged that our corporate responsibility efforts were recognised. We are a constituent member of the FTSE4Good Index, a global social responsibility index.

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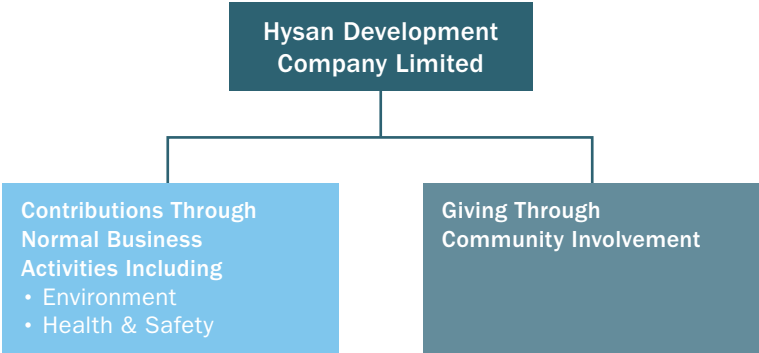
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HYSAN’S CORPORATE RESPONSIBILITY POLICY

Our Policy stems from our corporate values and sets a framework on how we manage our corporate responsibilities.

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| Maintain highest ethical standards We aim to maintain the highest ethical standards in the conduct of our business. We are committed to maintaining the highest standards of corporate governance. | Focus on health and safety Health and safety issues are of fundamental concern to us. | Contribute to communities We make positive contributions to the communities in which we operate. | Respect our staff We treat our staff with fairness and respect, and maintain a working environment to realise their full potential. |
| | Minimise environmental impact We aim to minimise the impact of our activities on the environment. | Encourage partners to set high standards We encourage our suppliers and contractors to embrace high standards similar to our own. | |

HYSAN’S CORPORATE RESPONSIBILITY MODEL



ENVIRONMENT

Hysan's Hennessy Centre redevelopment project sees the first Hong Kong building pre-certified at the highest Platinum level for the United States Green Building Council's Leadership in Energy and Environmental Design standard (LEED). The project also aims for top-level achievement in accordance with Hong Kong's Building Environmental Assessment Method (BEAM).

Hennessy Centre redevelopment



In the following section, Dr. L. K. CHAN, Hysan's Director of Design and Project, shares the Group's thoughts on sustainable development.



L. K. CHAN

Hysan's Director of Design and Project

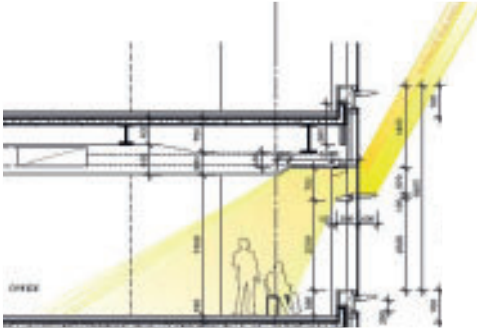
Why is it a good thing for commercial buildings to go "sustainable" in Hong Kong? Isn't it much harder to do it here than in more "green conscious" places?

“ Hong Kong buildings consume 89% of all electricity used in the territory. Figures from overseas would also suggest that a large portion of energy used by buildings are in commercial buildings, with central air-conditioning, etc. That is why tackling commercial buildings' energy savings is a priority. It is particularly challenging to find 'green' solutions in a high density location like Hong Kong. However, if it can be done here in a high-rise, it can be done almost anywhere. It would send a powerful message to all. ”

Why is Hysan leading the trend here in Hong Kong? What drives Hysan to go this route? What are the benefits for the shareholders and for the community in general?

“ Hysan believes in contributing to the community through its daily business activities. Our late Chairman, Mr. Peter T.C. LEE was a firm believer in achieving financial results that can also bring benefit environmentally and socially, and his legacy lives on. In the short term, a sustainable building cuts down on energy use, which clearly helps the 'triple bottom line'; in the long run, a good and efficient design will ensure the building does not easily become obsolete in both a commercial and social sense. Hysan stands to benefit when

ENVIRONMENT



“The design of a truly sustainable building should take into account its form, construction method, materials used and the building envelope, amongst other things.”



the overall environment improves and the community becomes truly sustainable. ”

Which is the most important aspect in constructing a “sustainable” building?

“We need a ‘total’ approach. The design of a truly sustainable building should take into account its form, construction method, materials used and the building envelope, amongst other things. Moreover, apart from the design and hardware, the way a building is used, operated and managed is just as important to achieve true sustainability. ”

Is Hysan satisfied with just putting in one green building?

“Hysan will not stop at constructing one green building. Managing our existing buildings in a ‘green way’ is equally important. Our ultimate aim is to develop our Causeway Bay hub into a sustainable community, the choice location to live and work, now and into the future. ”

Energy Conservation

Hysan has been actively taking energy conservation into consideration in formulating and executing our properties' full life cycle maintenance programme. Using 2005 as a baseline, Hysan made savings of 9 GWh of electricity (equivalent to 12,225 tonnes of CO₂) between 2006 and 2009, a reduction of 17.1% in its buildings (2009 compared with 2008: 1.2% reduction).

In addition to Hysan's own hardware improvement and operational re-scheduling, it also seeks to encourage stakeholders to be energy-efficient. For instance, Hysan revised its fitting out guide for tenants in 2009. Tenants are encouraged to maximise the use of natural lighting in its office/shop designs, increase the use of energy-saving fluorescent and LED lights, as well as other energy-efficient appliances.

Waste Management

Hysan was awarded another full set of "Class of Excellence", Hong Kong Government's Wastewi\$e labels, for all our buildings in 2008/09. This was achieved through the recycling of close to 800,000 kg of waste paper, as well as significant reduction in the consumption of plastic rubbish bags and paper products.

HEALTH & SAFETY

Safety

Hysan's business nature, as a property investor, means it generally has a low safety risk profile. However, we still place the highest importance on the health and safety of staff members, tenants and visitors. Hysan's business-related injury cases remained at a low level in 2009.

On our Hennessy Centre redevelopment project, we have continued our endeavours to ensure that Hysan's partners and contractors achieve high standards of occupational safety and health. Contractors for various phases of the construction project were selected based on their track record in the quality of work and ability to complete the project with due regard to safety at work, as well as the environment. We have also engaged an experienced independent safety consultant to offer advice to the contractors and to monitor performance.

Healthy Living

To encourage our staff to lead a healthy lifestyle, Hysan has been sponsoring teams of employees to take part in races and orienteering competitions. Among the best supported are the Green Power Hike, organised by the local environmental group Green Power, and the Salvation Army's Hong Kong and Macau O! Day.



COMMUNITY

In the past few years, Hysan has been providing a community service platform for staff, corporate partners and other stakeholders. In the summer of 2009, Hong Kong Christian Service, Hong Kong University of Science and Technology Business School and Hysan organised the third installment of an English-speaking life-skills programme primarily for ethnic minority students with a twist: participants learnt basics about running a business and were then asked to set up either eco or heritage tours as social enterprises. The main aims were to build confidence, understand the business world and create support among those from different social/ethnic backgrounds.

Four teams of youngsters and their university-level mentors successfully ran tours which targeted police officers, immigrant workers and other social groups as clients.

Project Go-Ahead

SAGAR PATNANI,

Form five student, a member of the winning team

Was Project Go-Ahead a learning experience or a fun experience?



“ I learnt about how to start, run and market a business.

I was doing something

I know I want to do in the

future. At the same time, it was fun because

I made many new friends from different

backgrounds. ”

Did your tour help break down a few “walls”?

“ We organised a cultural tour and our aim was to ‘break the wall’ between South Asians and the local Chinese. We managed to sell the tour to a group of police officers. I think our group has at least taken the first step to help cut down some cultural

misunderstanding.

I am very proud

of that. ”



COMMUNITY

Hysan's Volunteer Team

Hysan's staff spare no efforts in making positive contributions, at work and outside. For many, the most direct way to help is to take part in volunteer team activities.

In 2009, our colleagues took up the challenges to be teachers in two separate activities: Business Environment Council's Corporate Sustainability for Schools programme, and Young Entrepreneurs Development Council's School-Company Partnership. A range of topics, including sustainability issues in work and community settings, were discussed in depth.

Another Hysan volunteer group partnered with the Chung Ying Theatre to host a drama-based life skills fun-day for youths in the Kwai Ching area, focusing on issues such as education, employment, and family relationships.

Volunteers also took part in projects with St. James' Settlement, a local charitable organisation. Staff held parties and gatherings for mentally handicapped children to show care and attention, and invited ethnic minority families to join the Hysan team at the WWF's Mai Po charity walk.

Fair Trade

Hysan is an active member of the Hong Kong-based Fair Trade Workplace Society, which promotes the use of Fair Trade products to enhance the livelihood of primary producers in developing countries. The closing ceremony of Fair Trade Week 2009 was held at the Lee Gardens where top performing artists helped bring the socially sustainable message to hundreds who attended.



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