



## Hang Chi Holdings Limited

### 恒智控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8405)**

## ANTI-CORRUPTION POLICY

### 1. POLICY STATEMENT

- 1.1 Hang Chi Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) have zero tolerance for corruption of any form. The Group is committed to upholding high standards of business integrity, ethical business practices, honesty, fairness, impartiality and transparency in all its business dealings and prohibiting the solicitation and acceptance of bribes or improper advantages from others in relation to the Group’s business affairs. The Group also prohibits the offering of bribes or improper advantages to agents of others in carrying out the Group’s business, and the offering of advantages to public servants while having business dealings with their organisations.
- 1.2 Any form of fraud, bribery or corruption, money laundering or financing of terrorism involved by a company will damage its reputation and undermines its relationship with its customers, business partners and competitors. It may lead to criminal prosecution of or regulatory action against a company, its directors and/or employees, resulting in the imposition of criminal or civil penalties, including fines and imprisonment, and could damage a company’s reputation and business.
- 1.3 This Anti-Corruption Policy (“**Policy**”) forms an integral part of the Group’s corporate governance framework.
- 1.4 This Policy applies to all personnel of the Group, including directors, senior management and employees at all levels, as well as external parties who conduct business with or act in an agency or fiduciary capacity on behalf of the Group.
- 1.5 All personnel of the Group covered by this Policy are required to comply with all applicable laws and regulations related to anti-bribery and corruption in Hong Kong and other jurisdictions as appropriate, including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

- 1.6 The Group conducts risk assessment regularly to identify and evaluate corruption risks. Internal control systems are designed and established to maintain effective monitoring and/or elimination of corruption risks. An effective whistleblowing system implemented pursuant to the Whistleblowing Policy of the Group (the “**Whistleblowing Policy**”) is also in place to enable concerns can be raised without fear.

## **2. IMPLEMENTATION OF POLICY**

- 2.1 This Policy has been approved and adopted by the board of directors (the “**Board**”) of the Company. The Audit Committee established by the Company has overall responsibility for this Policy but has delegated day-to-day responsibility for overseeing and implementing it to the company secretary of the Company. The company secretary of the Company will report quarterly to the Audit Committee on the oversight, implementation and compliance of this Policy.

## **3. RESPONSIBILITY**

- 3.1 All personnel of the Group should:
  - (a) adhere to the Group’s high standards of business, professional and ethical conduct in carrying out the Group’s business;
  - (b) familiarise themselves with integrity and conduct requirements which are stipulated in the employee handbook and other relevant policies; and
  - (c) report any suspected misconduct or malpractice via various reporting channels, including via whistleblowing channel, confidentially if one feels appropriate. (Please access the Whistleblowing Policy for more details.)
- 3.2 Failure to comply with applicable anti-corruption laws, or internal requirements related to anti-corruption may result in disciplinary action (which may include immediate dismissal) and where applicable, criminal prosecution against the parties concerned.
- 3.3 All personnel of the Group should take the following steps to prevent actual conflicts of interest in carrying out the Group’s business:
  - (a) disclose all potential conflicts of interest;
  - (b) identify factors that may mitigate the likelihood of actual conflicts of interest;
  - (c) implement effective management strategies to minimize occurrence of actual conflicts of interest, e.g. assign independent personnel to monitor the employee’s work; and

- (d) carefully review sponsorship and contract terms.

#### **4. PROHIBITION ON IMPROPER PAYMENTS, KICKBACKS AND OTHER FORMS OF BRIBERY**

4.1 Employees are strictly prohibited (whether acting in their own capacity or on behalf of the Group) from:

- (a) offering, promising, giving or authorising, directly or indirectly, any bribe or kickback to or for the benefit of any person (whether in private or public office) in order to obtain any improper business or other improper advantage for the Group;
- (b) soliciting, accepting or receiving (whether for the benefit of the Group, their own benefit or that of their family, friends, associates or acquaintances) any bribe or kickback from any person (whether in private or public office) in return for providing any improper business or other improper advantage in relation to the business of the Group;
- (c) otherwise using illegal or improper means (including but not limited to bribes, favours, blackmail, financial payments, inducements, secret commissions or other rewards) to influence the actions of others; or
- (d) acting as an intermediary for a third party in the solicitation, acceptance, payment or offer of a bribe or kickback.

#### **5. POLITICAL AND CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS**

5.1 It is the general policy of the Group not to make any form of donation to political associations or individual politicians. Employees must not use any funds or assets of the Group for contributions to any political party or candidate for public office.

5.2 Charitable donations and sponsorships may in some circumstances constitute a disguised form of bribery. Pre-approval from the Board is required.

#### **6. FACILITATION PAYMENTS**

6.1 Unofficial payments demanded in return for speeding up or securing the performance of routine government actions, such as obtaining visas, permits or licences, are strictly prohibited.

## **7. GIFTS AND HOSPITALITY**

7.1 Offering or receiving any gift, gratuity or hospitality (collectively, “**Business Courtesies**”) that might be perceived to unfairly influence a business relationship shall be avoided. The following guidelines shall be observed and are applied at all times. Business Courtesies must comply with all of the following principles:

- (a) they must be reasonable and not excessive. To be considered reasonable in value, a single gift given to an individual recipient must have a value of HK\$3,000 or less, and multiple gifts given to an individual recipient over the course of 12 months must have an aggregate value of HK\$10,000 or less;
- (b) they must be of modest value, both in isolation and when considered in the context of other gifts and hospitality offered;
- (c) they must be appropriate and consistent with reasonable business practice;
- (d) they must be provided with the intent only to build or maintain a business relationship or offer normal courtesy, but not to influence the individual recipient’s objectivity in making a specific business decision;
- (e) they should never be offered in return for financial or personal gain or favour; and
- (f) they must be permissible under all applicable laws, rules and regulations.

7.2 In determining whether a specific Business Courtesy lies within the bounds of acceptable business practice, employees are encouraged to discuss the issue with their supervisor.

7.3 Employees shall report Business Courtesies outside the normal course of business to their supervisor. The record must expressly state the nature, purpose, value (if known) and date of the Business Courtesy and also details of the giver/receiver of the Business Courtesy.

## **8. PROCUREMENT OF GOODS AND SERVICES BY THE GROUP AND OTHER BUSINESS PARTNERS**

8.1 The Group is committed to dealing with its business partners and suppliers in a fair, honest and ethical manner, while seeking best interest for the business of the Group. Potential suppliers are treated on an equal basis and no unmerited favouritism is to be shown in the procurement of goods and services. The Group conducts its procurement practices in a fair and transparent manner and employees must act with due care and diligence when evaluating prospective suppliers and contractors.

8.2 The Group will not deal with suppliers, contractors and other potential business partners known to be paying bribes and/or engaging in corrupt activity. Due diligence shall be conducted by employees with appropriate level of knowledge, skills and experience in the selection and renewal of new and existing suppliers, contractors and other business partners commensurate with the bribery risk associated with a particular relationship.

## **9. THIRD PARTY REPRESENTATIVES**

9.1 The Group is committed to promoting anti-fraud and anti-bribery practices amongst any third party representatives it engages (“**Third Party Representatives**”). Third Party Representatives include, amongst others, advisers, agents, introducers, consultants, etc.. The prohibitions in this Policy equally apply to Third Party Representatives engaged to represent the interests of the Group, a breach of which could result in termination of their engagement.

9.2 The approvals from the Chief Executive Officer is required before the appointment of any Third Party Representative.

9.3 To minimise the risk of Third Party Representatives engaging in inappropriate conduct, the responsible department(s) of the Group shall:

- (a) always act with due care and diligence in selecting Third Party Representatives and in monitoring their activities;
- (b) ensure that Third Party Representatives are aware of and respect this Policy;
- (c) ensure that all fees and expenses paid to Third Party Representatives represent appropriate and justifiable remuneration, which is commercially reasonable under the circumstances, for legitimate services rendered by the Third Party Representatives; and
- (d) keep complete and accurate financial records of all payments.

## **10. COMMUNICATION AND TRAINING**

10.1 The Group should ensure that all personnel of the Group are informed about and understand this Policy, including applicable local procedures and requirements, and that there is a clear escalation procedure for reporting actual or suspected breaches of this Policy and suspicious activity. This Policy should be made available to all personnel of the Group (whether in hard copy or online) and to provide briefings to new employees thereon.

- 10.2 The Group provides regular anti-corruption training and briefing to all personnel of the Group. The training sessions include on-line courses and in-person presentations.
- 10.3 It is each personnel's responsibility to counter fraud and bribery by adhering to this Policy.
- 10.4 It is the responsibility of every manager to communicate this Policy to employees. Managers should ensure that all employees reporting to them, and external parties within their area of responsibility working on behalf of their respective companies, understand and comply with the prohibitions in this Policy.
- 10.5 No personnel will suffer demotion, penalty, or other adverse consequences for refusing the pay bribes even if such refusal may result in the Group losing business.

## **11. BOOKS AND RECORDS**

- 11.1 Each Group company should establish a robust financial and accounting control system, including adequate segregation of duties, authorisation controls and logging of entries or changes to ensure the accuracy and completeness of its books of account, as well as to prevent or detect any irregularities. Such system is subject to regular review and audit.
- 11.2 Accurate records of all company transactions must be kept. All receipts and expenditures must be supported by documents that describe them accurately and properly. The falsification of any book, record or account of any company within the Group is prohibited.
- 11.3 All personnel of the Group must not pay for any business courtesies personally as a means of evading the requirements of this Policy.

## **12. REPORTING**

- 12.1 If any personnel becomes aware of any actual or suspected breach of this Policy, he/she must report such incidents in accordance with the reporting procedures as stated in the Whistleblowing Policy. Please refer to the Whistleblowing Policy which provides a mechanism for all personnel of the Group and those who deal with the Group to raise concerns on any actual, suspected or possible impropriety, misconduct or malpractice through confidential reporting channels.
- 12.2 All personnel of the Group must cooperate fully and openly with any investigation into alleged or suspected corrupt activity or breach of this Policy. Failure to cooperate or to provide truthful information may also lead to the personnel being subject to disciplinary action, up to and including dismissal.

### **13. REVIEW OF THIS POLICY**

13.1 The Audit Committee is responsible for the interpretation, review and amendment of all the rules and procedures set out in this Policy from time to time. The Audit Committee will report to the Board with such recommendations as it may deem appropriate in relation to anti-corruption.

### **14. LANGUAGE**

14.1 This Policy is prepared in both Chinese and English languages. In case of any discrepancies between the Chinese and English versions, the English version shall prevail.

March 2022