



恒安國際集團有限公司

HENGAN INTERNATIONAL GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)
(the “Company”)

ANTI-CORRUPTION POLICY

1. INTRODUCTION

- 1.1 The Company takes a zero-tolerance approach towards all forms of bribery and corruption and is committed to observing and upholding high standards of business integrity, honesty, fairness, impartiality and transparency in all its business dealings at all times.
- 1.2 The Company strictly prohibits any form of fraud or bribery, and is committed to prevention, deterrence, detection, reporting and investigation of all forms of fraud and bribery.
- 1.3 An ethical environment in the workplace contributes to profitability, secures the trust with stakeholders, improves the operational efficiency and enhances the mutual trust among staff at all levels.

2. SCOPE

- 2.1 This Policy sets out the basic standard of conduct which applies to all directors, officers and employees of the Company and its wholly owned subsidiaries (collectively known as “**employees**”). It also provides guidance to all employees on acceptance of advantage and handling of conflict of interest when dealing with the Company's business. The Company also encourages and expects our business partners including suppliers, contractors and clients to abide by the principles of this Policy.

3. ACCEPTANCE OF ADVANTAGE

- 3.1 All employees should not solicit or accept any advantage for themselves or others, from any person, company or organisation having business dealings with the Company and its wholly owned subsidiaries or any subordinate, except that they may accept (but not solicit) the following when offered on a voluntary basis:
 - (a) advertising or promotional gifts or souvenirs of a nominal value, or samples or gifts for business needs, etc;
 - (b) gifts given on festive or special occasions are limited to business etiquette needs and cannot be refused after repeated refusals, subject to a maximum limit of HK\$1,000 in value; or

- (c) discounts or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general and fully documented in the other party's records.
- 3.2 Gifts or souvenirs or samples or gifts described in paragraph 3.1 that are presented to the employees in official functions are deemed as offers to the Company. The employees concerned should hand over the received gifts or souvenirs, or samples or gifts, etc. to the Administration Department or Finance Department of the Group for unified registration, storage and overall handling.
- 3.3 However, employees should decline an offer of advantage if acceptance could affect his / her objectivity in conducting the business of the Company and its wholly owned subsidiaries or induce him / her to act against the interest of the Company and its wholly owned subsidiaries, or acceptance will likely lead to perception or allegation of impropriety.
- 3.4 If employee has to act on behalf of a client in the course of carrying out the business of the Company and its wholly owned subsidiaries, he / she should also comply with any additional restrictions on acceptance of advantage that may be set by the client (e.g. employees performing any duties under a government or public body contract will normally be prohibited from accepting advantages in relation to that contract).

4. OFFER OF ADVANTAGE

- 4.1 All employees are prohibited from offering advantages to any director, staff member or agent of another company or organisation, for the purpose of influencing such person in any dealing, or any public official, whether directly or indirectly through a third party, when conducting the business of the Company and its wholly owned subsidiaries (such as facilitation). Even when an offer of advantage carries no intention of improper influence, it should be ascertained that the intended recipient is permitted by his employer / principal to accept it under the relevant circumstance before the advantage is offered.

5. ENTERTAINMENT

- 5.1 Although entertainment (e.g. provision of food and drink) is an acceptable form of business and social behaviour, all employees should avoid accepting lavish or frequent entertainment from persons with whom the Company and its wholly owned subsidiaries has / have business dealing (e.g. suppliers or contractors) or from his / her subordinates to avoid placing himself / herself in a position of obligation.

6. CONFLICT OF INTEREST

- 6.1 All employees should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Company and its wholly owned subsidiaries or the perception of such conflicts. When actual or potential conflict of interest arises, the subject employee should make a declaration to the Risk Management Department.

6.2 Some common examples of conflict of interest are described below but they are by no means exhaustive:

- (a) An employee involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Company.
- (b) One of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the employee involved in the process.
- (c) A director of the Company has financial interest in a company whose quotation or tender is under consideration by the Board.
- (d) An employee (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

7. CHARITABLE DONATIONS

7.1 The Company encourages and supports its employees to develop and support charitable causes and to carry out activities such as charitable donations. When the Company and employees carry out charitable donations and other activities, they shall comply with laws and regulations, shall not harm the interests of the public or others, shall uphold the principles of voluntariness, good faith and non-profit making, and shall guard against the risk of corruption and bribery. At the same time, the Company prohibits any form of political donations.

8. RECORDS, ACCOUNTS AND OTHER DOCUMENTS

8.1 All employees should ensure that all records, receipts, accounts or other documents they submit to the Company give a true representation of the facts, events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the Company, regardless of whether there is any gain or advantage involved, is prohibited.

9. COMPLIANCE WITH LAWS OF HONG KONG AND IN OTHER JURISDICTIONS

9.1 All employees must comply with all local laws and regulations when conducting the business of the Company and its wholly owned subsidiaries, and also those in other jurisdictions when conducting business there or where applicable.

Failure to comply with this Policy and applicable laws and regulations relating to anti-corruption may result in disciplinary action (which may include immediate termination) and where applicable, criminal prosecution against the parties concerned.

10. REPORTING AND INVESTIGATION PROCEDURES

10.1 If an employee becomes aware of any actual or suspected breach of this Policy, he / she must report such incidents in accordance with the reporting channels and process stated in the Company's Whistleblowing Policy which provides a mechanism for employees

and those who deal with the Company and its wholly owned subsidiaries to raise concerns on any suspected impropriety, misconduct or malpractice through confidential reporting channels.

Whistleblowing reporting email : jubao@hengan.com

11. OVERSIGHT AND AUDIT

- 11.1 The Board of Directors of the Company is the highest decision-making and supervisory body for business ethics of the Company, and the Chief Executive Officer of the Company is the highest leader of the anti-fraud work. Under the Group CEO, an anti-fraud office is set up to guide, coordinate and supervise the relevant work.
- 11.2 The Company's Risk Control Department establishes an annual business ethics and anti-corruption audit program based on the size and risk level of each subsidiary. Routine audits are usually conducted on an annual or biannual frequency to ensure that the audits cover all the subsidiaries and operating sites every two years.

12. TRAINING AND COMMUNICATION

- 12.1 The Company provides regular anti-corruption training and briefing to all directors and employees (including management, full-time employees, part-time employees and contractors). Further training will also be arranged to ensure that employees are aware of the Company's anti-corruption practices as well as the compliance with laws, regulations and standards of conduct, which are relevant for their field of business.
- 12.2 The Company's zero-tolerance approach on bribery and corruption will, where appropriate, be communicated to clients, suppliers, contractors and business partners.

13. REVIEW OF THE POLICY

- 13.1 The Company shall review regularly this Policy to improve its effectiveness.
- 13.2 This Policy should be available to all employees.
- 13.3 A summary of this Policy should be available on the Company's website.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.

**for identification purposes only*