

Ngai Hing Hong Company Limited

毅興行有限公司*

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

ANTI-CORRUPTION POLICY

(the “Policy”)

1 Constitution

- 1.1 The Policy was adopted by the board (the “Board”) of directors (the “Directors”) of the Company and became effective on 1 July 2022.

2 Policy Statement

- 2.1 The Company and its subsidiaries (collectively, the “Group”) fully support global initiatives to eradicate corruption. The Group is committed to achieving the highest standards of business conduct and has zero tolerance for corruption and any malpractice.
- 2.2 The Company has made integrity, honesty, fairness, impartiality and business ethics one of its core corporate values, and the Company's corporate culture also contains elements of integrity.
- 2.3 The Board is accountable for the implementation of the Group's anti-fraud and anti-bribery efforts (including values, code of conduct, risk management, internal control, communication and training, supervision and monitoring). The Directors and senior management are responsible for ensuring the effective implementation of the Policy and, in particular, for monitoring and investigating any material fraudulent or bribery activity within the Group.
- 2.4 Fraud or bribery damages a company's reputation and its relationships with regulators, customers, business partners and competitors. It may lead to criminal prosecution or regulatory action against the company and/or its employees, resulting in criminal or civil penalties, including fines and imprisonment, and may impair the business of the company. The definition of fraud and examples of fraudulent conduct that may affect the Group are set out in the Policy.

3 **Scope**

- 3.1 The Policy applies to all personnel of the Group, including employees at all levels and persons providing services to or acting on behalf of the Group and external parties with whom the Group has business contact.

4 **Integrity Code**

4.1 Legal provisions

- a. Any employee who, without the permission of his employer, uses his position to solicit or accept an advantage as an inducement or reward for doing or refraining from doing anything in connection with the Company contravenes Section 9(1) of the Prevention of Bribery Ordinance. The term "advantage" is interpreted in the Ordinance to include money, gifts, loans, fees, rewards, position, contracts, services, privileges, etc. In addition, the party offering the advantage also commits a violation of Section 9(2) of the Ordinance.
- b. An employee who falsifies documents or provides false accounting records with the intent to defraud the employer is also in violation of Section 9(3) of the Prevention of Bribery Ordinance. Please refer to paragraph 5 of the Policy for the full text of Section 9 of the Prevention of Bribery Ordinance and the definition of the term "advantage" in Section 2.

4.2 Soliciting or accepting advantages

- a. It is the policy of the Company not to allow employees to solicit or accept any advantage from customers, suppliers or other persons related to the Company's business. Employees may accept (but are not permitted to solicit) gifts for traditional festivals or advertising, provided that the value does not exceed RMB1,000, if the acceptance of the advantage would not unduly affect the employee in the performance of his/her duties for the Company.
- b. An employee shall report in writing (Form A, available from the Human Resources Department) to the Human Resources Department upon the acceptance of the advantage, which will then forward it to his/her immediate supervisor or manager.

4.3 Offering advantages

Under no circumstances shall an employee influence any person or company by bribery for the purpose of seeking business. All employees must comply with policies of the Company and obtain prior written approval from the Company before offering advantages to other persons or companies in the conduct of

business of the Company. In addition, it is also prohibited by law to offer advantages to public officials to influence their decisions or to bribe them in connection with government contracts, public tenders and public auctions.

4.4 Conflict of interest

A conflict of interest is one in which an employee's personal interests are contrary to or in conflict with the interests of the Company. All employees shall avoid being involved in actual or potential conflict of interest situations that would call into question their integrity or damage the interests and reputation of the Company. If an employee or his/her immediate family has a direct or indirect personal or financial interest in any organization that competes or does business with the Company, must report such interest to the Human Resources Department in writing (Form B, available from the Human Resources Department). The Human Resources Department will deal with the matter as appropriate.

4.5 Gifts and entertainment (“Business Etiquette”)

- a. Business gifts and entertainment are customary rituals designed to build goodwill among business partners. In some cultures, business gifts and entertainment play an important role in business relationships. However, problems may arise when such etiquette impair or appear to impair the ability to make objective and fair business decisions. Any offering or acceptance of gift, gratuity or entertainment that could be perceived as unfairly affecting the business relationship shall be avoided. The following guidelines shall apply at all times.
- b. Business etiquette must be consistent with the following principles:
 - (i) it must be reasonable and not excessive;
 - (ii) it must be of moderate value, both when considered independently and in the context of the provision of other gifts and entertainment;
 - (iii) it must be appropriate and consistent with sound business practices;
 - (iv) it must be offered solely for the purpose of establishing or maintaining a business relationship or as an ordinary etiquette and not to influence the objectivity of the recipient in making a particular business decision;
 - (v) it must never be offered in exchange for financial or personal advantage or benefit; and
 - (vi) it must be permissible under all applicable laws, rules and regulations. When dealing with a government official, the official's country generally has laws that limit the extent of acceptable entertainment and gifts, and those laws must be strictly observed. When dealing with private organizations, gifts or entertainment

shall not exceed any restrictions imposed by the group to which the recipient belongs.

- c. Employees shall use good judgment; "everyone does" is not a sufficient reason. Consideration shall be given to whether public disclosure of business etiquette would be embarrassing to the Group or the recipient; if so, they shall not be offered or accepted. In determining whether a particular business etiquette falls within the scope of acceptable business practice, the Group encourages employees to discuss such issue with their supervisors.

4.6 Gambling

Employees shall avoid frequent or high stakes gaming, including mahjong, with persons with whom the Company has business dealings. If you engage in games with customers, suppliers or persons with whom the Company has business dealings in social situations that have a gambling component, you should first determine whether it is appropriate and withdraw if the stakes are too high.

4.7 Loans

Employees or their immediate family members may not make loans to or act as guarantors for loans for any person or organization with which the Company has business dealings, nor may they accept loans from them or loans obtained with their assistance. There is no restriction on bank loans under normal circumstances.

4.8 Part-time outside work

If an employee wishes to take on outside work, whether of a permanent or consulting nature, he/she must apply in writing to the Human Resources Department and obtain written approval in advance. If discovered without the approval, disciplinary action will be taken.

4.9 Handling confidential information/property of the Company

- a. Under no circumstances shall an employee disclose confidential information of the Company to any person without permission or use such information for personal gain.
- b. The unauthorized taking or resale of property of the Company by employees is strictly prohibited. Offenders will be immediately dismissed without any compensation.

4.10 Compliance with the Policy

- a. It is the responsibility of each employee to understand and comply with the contents of the Policy. Department managers are also required to ensure that their subordinates fully understand and comply with the standards and requirements set

forth in the Policy in their daily management. Any employee who violates the Policy may be subject to disciplinary action, including termination of employment. Violations of the Prevention of Bribery Ordinance or other relevant regulations will be reported to the relevant authorities by the Company.

- b. Departments/companies of the Group shall ensure that employees are informed of and understand the Policy, including applicable local procedures and requirements, and that there are clear escalation procedures for reporting actual or suspected violations of the Policy and suspicious activity. Each company of the Group shall make the Policy available to all employees, whether in print or online, and provide briefings to new employees; and provide regular training to employees on the risks of fraud and bribery to which their organizations are exposed, as well as on compliance with the laws, regulations and standards of conduct relevant to their area of business.
- c. If you have any questions about the contents of the Policy, you may address them to the Human Resources Department.

5 Prevention of Bribery Ordinance

5.1 Section one

- a. Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his:
 - (i) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
 - (ii) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,shall be guilty of an offence.
- b. Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's:
 - (i) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
 - (ii) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,shall be guilty of an offence.
- c. Any agent who, with intent to deceive his principal, uses any receipt, account or other document:

- (i) in respect of which the principal is interested; and
 - (ii) which contains any statement which is false or erroneous or defective in any material particular; and
 - (iii) which to his knowledge is intended to mislead the principal,
- shall be guilty of an offence.
- d. If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (e), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (a) or (b).
 - e. For the purposes of subsection (d) permission shall:
 - (i) be given before the advantage is offered, solicited or accepted; or
 - (ii) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,
 and for such permission to be effective for the purposes of subsection (d), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

5.2 Section two

“advantage” (利益) means

- a. any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- b. any office, employment or contract;
- c. any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d. any other service, or favour (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- e. the exercise or forbearance from the exercise of any right or any power or duty; and
- f. any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an

election return in accordance with that Ordinance; (*Amended 33 of 1991 s. 2; 10 of 2000 s. 47*)

“entertainment” (款待) means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such provisions;

6. Fraud

6.1 The term "fraud" generally includes deception with the intent to obtain some form of financial or personal gain or to cause loss to another. Fraud includes, but is not limited to, deceit, bribery, forgery, extortion, theft, conspiracy, misappropriation, embezzlement, false statements, concealment of material facts and collusion.

6.2 Examples of general fraud behaviors that can affect the Group include, but are not limited to:

- a. obtaining a financial advantage or any other benefit by deception or abuse of authority conferred by office or duty;
- b. unauthorized trading activities involving conflicts of interest and/or personal gain;
- c. improper use of business information and/or trade secret information that is not released to the public;
- d. theft, unauthorized use and/or sale of Group assets or resources;
- e. falsifying accounts and/or making misleading disclosures;
- f. making false statements about work performed or misrepresenting the materials used in a project; and
- g. false wages, false invoices or false expense claims.

7. Procurement of Goods and Services by the Group and Other Business Partners

7.1 The Group is committed to dealing with its customers and suppliers in a fair, honest and professional manner, while obtaining the best value for its business. Potential suppliers are treated equally and no undue favouritism is shown in the procurement of goods and services. The Group procures in a fair and transparent manner and employees are required to exercise care and prudence in evaluating potential contractors and suppliers.

7.2 The Group will not deal with contractors, suppliers and other potential business partners who are known to have committed bribery and/or are involved in corrupt practices. The selection of new contractors, suppliers and other business partners (e.g. joint venture partners) and the renewal of contracts with relevant contractors, suppliers and other business partners shall be reviewed by a skilled person using a proportionate level of bribery risk as appropriate for the particular relationship with the contractor, supplier and other business partner.

8 Third Party Representative

8.1 Anti-bribery laws in some countries impose criminal liability for a company's failure to prevent bribery of anyone who provides services for or on behalf of the company. The Group is committed to promoting anti-fraud and anti-bribery practices among any third-party representatives it engages ("Third Party Representative"), including advisors, agents, introducers and seekers, consultants and political lobbyists. The conduct prohibited by the Policy applies to Third Party Representatives engaged by the Group to represent its interests, and violations may result in termination of their engagement.

(iii) Approval of an executive director of the Company ("Executive Director") or a person authorized by the Executive Director must be obtained before appointing any Third Party Representative.

8.2 In order to minimize the risk of misconduct by Third Party Representatives, the relevant departments/ companies of the Group should:

- a. exercise caution at all times when selecting Third Party Representatives and monitoring their activities;
- b. ensure that Third-Party Representatives are aware of and respect the Policy;
- c. ensure that all fees and expenses paid to the Third Party Representatives are appropriate and reasonable compensation for legitimate services rendered by the Third Party Representative and are commercially reasonable under the circumstances; and
- d. maintain accurate financial records of all payments made.

9 Books and Records

9.1 Accurate records of all transactions and business etiquette of the Company must be maintained. All receipts and disbursements must be supported by documentation that accurately and properly describes their contents. The Group prohibits any of its companies from falsifying any books, records or accounts.

9.2 Employees shall not pay business etiquette in their own name to circumvent the provisions of the Policy.

10 Reporting Bribery and Suspicious Activity

10.1 If an employee becomes aware of any actual or suspected violations of the Policy, he/she must report such incidents in accordance with the Company's Whistle Blowing Policy, which provides a mechanism for employees and those who deal with the Group to raise concerns about any suspected misconduct, wrongdoing or malpractice through

confidential reporting channels.

10.2 The responsibility for timely reporting actual or suspected violations of the Policy lies with the department head responsible for the business in which the incident occurred. The relevant head of department shall report actual or suspected bribery, theft, fraud or similar offences to the Executive Directors as soon as practicable. Incidents involving amounts greater than the minimum amounts agreed from time to time shall be reported promptly within one working day in accordance with the Group's policy.

10.3 In any event, the head of department shall provide notification of cases exceeding the minimum amount by telephone or confidential email or fax as soon as possible and in any event within one business day after becoming aware of the incident. The head of department should maintain reasonable contact with the Executive Directors to ensure that they are fully informed of significant developments in the case and may provide appropriate judicial or other assistance.

10.4 To facilitate the Group's formal risk review and assessment, the Group has assigned the Human Resources Department, regardless of the number of amounts involved, to maintain a log book of suspected and actual incidents and to report relevant statistics to the Executive Directors on a quarterly basis. In addition, all relevant information relating to such cases should be readily available for review and follow-up by the Board.

10.5 The Group actively encourages employees to report any fraud or bribery and it is the responsibility of the Human Resources Department to ensure that such complaints are recorded and investigated and appropriate action is taken to investigate and impose appropriate sanctions (if verified) for all reports of fraud or bribery. Complaints will be handled as confidentially as possible and employees who raise reasonable concerns in good faith will be protected; the Group will not permit any form of retaliation against any employee who in good faith reports an actual or suspected violation of the Policy.

10.6 Employees must cooperate fully and honestly in any investigation of suspected or suspected acts of corruption or violations of the Policy. Employees who fail to cooperate or provide truthful information may also be subject to disciplinary action up to and including termination of employment.

11 Disclosure of the Policy

11.1 The Company shall disclose the Policy on the Company's website.

12 Review and Revision

12.1 The Board shall review the implementation and effectiveness of the Policy annually.

12.2 Any revisions to the Policy shall be considered and approved by the Board.