

# **Kwong Man Kee Group Limited**

## **鄺文記集團有限公司**

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

**(Stock Code: 8023)**

**(the “Company”)**

### **ANTI-CORRUPTION AND BRIBERY POLICY**

#### **1. Purpose**

Kwong Man Kee Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) are committed to abiding by all laws and regulations or if necessary to exceeding them, to prevent fraud and bribery in order to upholding high standards of business integrity, honesty, fairness and transparency in all its business dealings. Fraud or bribery of all forms damages a company’s reputation and undermines its relationship with its regulators and its customers, business partners and competitors and are therefore strictly prohibited. The Group takes a zero-tolerance approach towards all forms of corruption and bribery and is committed to the implementation of anti-fraud and bribery efforts of the Group which may include but not limited to risk management measures, internal controls, training, oversight, etc.

This anti-corruption and bribery policy (the “**Policy**”) applies to the directors, permanent, contract or temporary employees and secondees of the Group (the “**Employee(s)**”). The Employees are required to adhere to the Policy and give full cooperation (if so required) on investigations relating to the same, the breach of which may lead to disciplinary action that might ultimately result in termination of employment and/or personal civil or criminal sanctions.

#### **2. Scope**

The Policy sets out the basic standard of conduct which applies to the Employees as well as reference for those parties acting in an agency, fiduciary capacity on behalf of the Group, and in business cooperations with the Group, e.g. agents, consultants and contractors who must conduct their activities in full compliance with the Policy, the Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong), and all other applicable laws relating to bribery or corruption in each jurisdiction in which they do business. It provides guidance to the Employees on acceptance of gifts and entertainment, prohibition on improper payments, kickbacks and other forms of bribery, making donations or sponsorships and also handling of conflict of interest when dealing with the Group’s business. In the premises, no Employee shall suffer punishments and/or adverse consequences of any kind for refusing to receive/pay bribes even if such refusal leads to business loss of the Group.

#### **3. Communication and training**

This Policy is communicated to the Employees and, as may be appropriate, to our business partners including suppliers, contractors and clients. All Employees will receive suitable training in bribery, corruption, fraud management, ethical standards and other relevant topics.

#### 4. Gifts and entertainment

Business gifts and entertainment is customary courtesy designed to build goodwill among business partners. It is the employee's responsibility to use good judgment in this area. Employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment expenses should be properly accounted for on expense claim reports. The following specific examples may be helpful:

(a) Meals and Entertainment.

Employees may occasionally accept or give meals, refreshments or other entertainment if:

- The items are of reasonable value;
- The purpose of the meeting or attendance at the event is business related;
- The expenses would be paid by the Company as a reasonable business expense if not paid for by another party; and
- Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

(b) Advertising and Promotional Materials

Employees may occasionally accept or give advertising or promotional materials of nominal value e.g. souvenirs inscribed with the corporate logos with limited commercial value.

(c) Personal non-cash gifts

Employees may accept or give personal non-cash gifts of reasonable value (not exceeding value equivalent to HKD500) that are related to recognized special occasions such as a graduation, promotion, wedding, retirement or a holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.

(d) Gifts Rewarding Service or Accomplishment

Employees may accept a gift from a civic, charitable or religious organisation specifically related to their service or accomplishment.

(e) 'Lai See' in Chinese New Year

Employee may accept 'Lai See' from customers or suppliers not exceeding HK\$500.

Employees should make every effort to refuse or return the gifts (including the cash gifts) that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or an employee is unable to return a gift, he / she should promptly report the gift to Department Head. Department Head will seek the direction how to handle the gifts from Chief Executive Officer of the Company (the "CEO"). If an Employee wishes to accept a gift with the amount greater than the maximum limited stated at above, he/she should seek written permission from CEO, and relevant record shall be made and preserved documenting the details of such incidents including its nature, purpose and value, etc.

## **5. Improper payments, kickbacks and other forms of bribery**

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

- (a) acceptance of improper payments, kickbacks and other forms of bribery;
- (b) payment, offer, solicitation, proposal of terms for, or acceptance of, bribes directly or with the assistance of any organization or individual;
- (c) attempt to circumvent any anti-corruption and bribery provisions through the use of agents, partners, contractors, family members or any others acting on someone's behalf;
- (d) offer or acceptance of any gift, gratuity or hospitality that might be perceived to unfairly influence a business relationship; and
- (e) acceptance of lavish or frequent entertainment from persons with whom the Group has business dealings if, by doing so, it might be perceived that the employees are placing themselves in a position of obligation to the offeror.

## **6. Donations and sponsorships**

- 6.1 The Group shall only make contributions to programmes, which have a positive impact on community development, are commensurate with the Group's values and sustainability strategy.
- 6.2 All donations or sponsorships must be legal and ethical under applicable laws and practices and approved by the CEO. The Company shall keep proper records of such donations or sponsorships for inspection by regulatory authorities.
- 6.3 Employees shall avoid making contributions or sponsorships, whether charitable in nature or otherwise, on behalf of the Group to organisations or entities that may be considered as disguised vehicles or arrangements for obtaining bribes or corrupt payments.
- 6.4 The Group's general policy is not to make any form of political donations.

## **7. Conflict of interest**

- 7.1 All Employees must not be engaged in relationships, activities or interests that conflict or interfere with the interests of the Group.
- 7.2 Employees who have relative, or other personal or business relationships must consider whether those relationships create conflict of interests with their entrusted role in the Group. Examples of conflict of interest situations include, but not limited to the following:
  - Buying goods or services from a business owned by an Employee or his/her family member;
  - Having a personal relationship where there is an immediate reporting relationship (superior-subordinate);
  - Hiring a relative as an employee;
  - An Employee setting a related person's or his/her own remuneration; or

- Receiving gifts, free services, entertainment, meals, or benefits of any kind from or on behalf of any person or organisation engaged in any transaction with the Group.

7.3 It is necessary to promptly disclose to the Group any such relationship, activity or interest that could possibly involve an actual or potential conflict of interest.

7.4 Following which, the Employee should then abstain from discussion and decision-making on the matter in which the Employee has a potential conflict of interest in. The Employee may also be required to refrain from performing or getting involved in the concerned duties which may give rise to a conflict.

## **8. Declaration of interests**

8.1 The Declaration of Interest Form should be completed by all Employees:

- Upon commencement of employment of a new employee or appointment to a new director;
- Annually, to confirm that there are no changes to circumstances which may result in potential conflict of interest; and
- At the earliest possible instance when the Employee is aware of any change in circumstances which may result in potential conflict of interest.

8.2 In situations where Employees are unsure what to declare, or whether declaration needs to be updated, they are strongly encouraged to seek advice from the board of directors or the company secretary of the Group.

8.3 All declaration of interests made and decisions made by Employees on such matters should be recorded and filed by the Human Resource Department or the company secretary of the Group. The declarations should be compiled with reference to paragraph 7 Conflict of Interest above, to track staff appointment of related parties, to ensure that Employees are not put in positions that may result in potential conflict of interests.

## **9. Procurement of Goods and Services by the Group**

9.1 The Group conducts its procurement practices in a fair and transparent manner and Employees must act with due care and diligence when checking and evaluating prospective contractors and suppliers. The Group will not deal with contractors and suppliers and other potential business partners known to be paying bribes and/or engaging in corrupt activities.

9.2 Please refer to the Procurement and Payable Management Policy for more details on the procedures and standards for procurement.

## **10. Reporting**

10.1 Every Employee has a duty to report any potential violations of the Policy and any Employee who receives an offer of bribery must immediately report such incidents in accordance with the reporting channels and process stated in the Company's Whistleblowing Policy.

10.2 Further, in order to facilitate risk review and assessment by the Group, the Human Resource Department or any officer/staff so appointed by the same shall keep a register recording both suspected and actual incidents of corruption and/or bribery cases (if any) as well as incidents relating to acceptance of gift/donations, etc. as may be required under this Policy, and report the relevant statistics to the management on a quarterly basis, the same shall also be made available for internal audit as may be requested by the management from time to time.

## **11. Review of the policy**

The Company will review and revise the Policy and its mechanisms from time to time as may be appropriate, and at least once per year.

*In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.*