

# **Satu Holdings Limited**

## **Policy Manual – Anti-Corruption Policy**

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and

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## Anti-Corruption Policy (the “Policy”)

### Code of Conduct

- 1.1 The Group is fully committed to the principle of honesty, integrity and fair play in all its businesses and activities. All Management and staff should ensure that the businesses of the Company, such as procurement of materials, hiring of staff for providing contracting services, are dealt with in an open, fair and impartial manner. They should bear in mind that the Company is accountable to its customers, suppliers and business partner, and all its members, in the conduct of its activities.
- 1.2 This Code of Conduct are applicable to all Employees including temporary or part-time staff both inside and outside Hong Kong. No part of this code may be waived or suspended.

### Common Forms of Corruption, Bribery and Fraudulent Activities

- 1.3 In this Policy:
  - (a) “**corruption**” refers to the abuse of an individual’s authority for personal gain at the expense of other people, which erodes fairness and the rule of law, and in some cases, put lives and property at risk;
  - (b) “**bribes**” refers to offers or payments of anything of value in exchange for an unfair market advantage or to sway a decision making or action, such as receive benefits related to his position includes gifts, money, rebates, services, loans, fees, treatment, entertainment, private business relations, and other valuable items from customers, suppliers or other individuals related with the business transaction of the Group; and
  - (c) “**fraud**” refers to unfair or unlawful conduct with the intention of making some form of personal gain, or making another person suffer a loss

including, but not limited to conspiracy, misappropriation, theft, money laundering, collusion, extortion and corruption.

- 1.4 Material corrupt and fraudulent activities include but not limited to:
- (a) obtaining financial advantage or any other benefit by deception or abuse of authority granted by virtue of his/her official position or duty;
  - (b) drawing a specification or assessment criteria in favour of the supplier or tailor to the supplier's products or services;
  - (c) accepting illegal rebate from a business operator in return for unauthorised business referral in relation to the Group's business;
  - (d) selling the Group's customer data to other business operators;
  - (e) allowing improper payment schemes such as the employees seeking or accepting from, paying or offering to, suppliers or business partners, kickbacks or gifts intended to or which may appear to influence business judgments;
  - (f) colluding among employees, misappropriating, skimming or theft of the Group's assets such as cash, inventory or asset items;
  - (g) colluding to falsify attendance and deceive the Group for wage payment;  
and
  - (h) manipulating sales transactions to pocket all or part of the revenue.

### **Prevention of Bribery Ordinance**

- 1.5 Under Section 9 of the Prevention of Bribery Ordinance (Cap.201), an employee who solicits or accepts an advantage in relation to his employer's business or affairs without the latter's permission may commit an offence. The term "advantage" is defined in the Ordinance and includes almost anything of value,

except entertainment such as money, gift, commission, loan, fee, reward, office, employment, contract, service or favour (refer to 1.6 below).

1.6 Advantage” 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 instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty;
- (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)

**Prohibition on Improper Payments, Kickbacks and Other Forms of Bribery**

1.7 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 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.
- 1.8 In addition to complying strictly with the provisions in this Policy, employees must exercise due judgment and critically assess whether any arrangement could be perceived to be corrupt, illegal or otherwise inappropriate.

### **Acceptance of Advantages**

- 1.9 It is the policy of this Company to prohibit all staff from soliciting any advantage from any persons having business dealings with the Company (e.g. suppliers, customers, business partner). Management and staff who wish to accept any advantage from such persons should seek special permission from the chief executive officer (“CEO”) prior to the acceptance.
- 1.10 Any gifts offered voluntarily to the management or staff in their official capacity is regarded as gifts to the Company and they should not be accepted without permission. Management and staff should decline the offer if the acceptance could affect their objectivity in conducting the Company’s business, or induce them to act against the interest of the Company, or lead to perception or complaints of bias or impropriety. In case of doubt, the management and staff should refer the matter

to the CEO for advice and instruction before accepting such offer of advantages.

1.11 The offering or receiving of any gift, gratuity or hospitality (“**Business Courtesy(ies)**”) shall comply with the following principles:

- (a) they must be reasonable and not excessive;
- (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, rather than to influence the 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.

When dealing with a public official, the official’s country will often have laws imposing limits on the level of hospitality and gifts which can be accepted, and those laws must be strictly adhered to. When dealing with the private sector, gifts or hospitality should not exceed any limits imposed by the recipient's organisation.

1.12 In determining whether a specific Business Courtesy falls within acceptable business practice, employees are encouraged to discuss with their supervisor.

1.13 Employees shall report Business Courtesies outside the normal course of business whenever accepted, given or rejected to their supervisor. The report 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.

**Conflict of Interest**

1.14 Employees should avoid any conflict between their private interests and the interest of the Company in any situation. “Private interests” means both the financial and the personal interests of the employees or those of their connections including:

- (a) Family and other relations;
- (b) Personal friends;
- (c) other companies or business interests which employees hold or own (both in part or in whole);
- (d) other clubs and societies to which they belong; and
- (e) any person to whom they owe a favour or are obligated in any way

1.15 Employees should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with the Company. Failure to avoid or declare any conflict of interest may give rise to criticism of favouritism, abuse of authority or even allegations of corruption.

1.16 When there is an actual or perceived conflict of interest, employees should make a written declaration to the Company, including financial or non-financial, direct or indirect, which employees or their connections may have. All declaration should be made, 1 calendar month after the transaction involving the conflict of interest, in writing using “Form of Declaration of Conflict of Interest” to the Company via HR and Administration Department.

**Entertainment**

1.17 As defined in Section 2 of the Prevention of Bribery Ordinance, “entertainment” refers to food or drink provided for immediate consumption on the occasion, and



any other entertainment provided at the same time. Although entertainment is an acceptable form of business and social behaviour and is not “advantage”, management and staff member must not accept lavish or frequent entertainment from persons with whom the Company has official dealings (e.g. suppliers or contractors, subcontractors or any persons to which the Company may allocate resources or work assignments), so that they will not be placed in a position of obligation to the offerer.

### **Misuse of Official Position**

1.18 Management and staff who misuse their official position for personal gains or to favour their relatives or friends or to benefit their business connections are liable to disciplinary action by the Company or even prosecution by the appropriate authorities.

### **Handling of Classified or Proprietary Information**

1.19 Management and staff are not allowed to disclose any classified or proprietary information to anybody without prior authorization by the Company. Management and staff who have access to or are in control of such information should at all times provide adequate safeguards to prevent its abuse or misuse.

### **Equipment, Stocks and Other Resources of the Company**

1.20 Management and staff given access to any equipment, stocks or other resources of or acquired by the Company (such as inventory) should ensure that it is properly used solely for the purpose of conducting the Company’s business. Misappropriation or unauthorized use of such property or resources, such as for personal gain (e.g. resale of inventory) is strictly prohibited.

**Compliance with the Code**

- 1.21 It is the personal responsibility of every management and staff member to understand and comply with the Code of Conduct, in particular by conscientiously avoiding any conflict of interest, and making declaration and seeking prior permission from the Company in accordance with this Code in any case of exception.
- 1.22 The Company's management will ensure that Management and staff understand and comply with the standards and requirements stated in the Code. Any problems encountered as well as any suggestions should be channeled to CEO for consideration and advice.
- 1.23 Any management and staff member who violates any provision of the Code will be subject to disciplinary action, or termination of appointment / employment where warranted. In case of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities.

**Third Party Representatives**

- 1.24 The Group shall be committed to promoting anti-fraud and anti-bribery practices among any third party representatives it engages ("Third Party Representatives"), including but not limited to advisers, agents, introducers and consultants. The prohibitions in this Policy shall apply to Third Party Representatives engaged to represent the interests of the Group, a breach of which may result in termination of their engagement.
- 1.25 To minimise the risk of Third Party Representatives engaging in inappropriate conduct, relevant departments/Group companies should:
- (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 the 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 Representative; and
- (d) keep accurate financial records of all payments.

### **Communication and Training**

- 1.26 Each department in the Group company should ensure that the Employees are informed about and understand this Policy, including applicable procedures and requirements, and that there is a clear escalation procedure for reporting actual or suspected breaches of this Policy and suspicious activity. Each Group company is to make this Policy available to all Employees (whether in hard copy or online) and to provide briefings to new Employees thereon. Regular trainings relating to the fraud and bribery risks faced by the Group, as well as compliance with laws, regulations and standards of conduct, which are relevant for their field of business, are available to Employees.
- 1.27 No Employee shall suffer demotion, penalty, or other adverse consequences for refusing the paying of bribes, even if such refusal may result in the Group losing business.

### **Reporting Violations**

- 1.28 The Group shall maintain effective reporting channels for its Employees and stakeholders to report any suspicions of corruption, bribery and fraud. All

Employees are expected and encouraged to report immediately any suspected cases of corruption, bribery, fraud and related misconduct.

- 1.29 Suspected cases of corruption, bribery and fraud should be reported promptly whether it is known who may be responsible for the corruption, bribery and fraud or how it may have occurred. They should be reported to one's direct supervisor, team leader or unit manager or directly to the chairman of the Audit Committee via the whistleblowing channel confidentially.
- 1.30 The chairman of the Audit Committee, after conducting preliminary enquiry of the complaint, shall report to the relevant law enforcement agency(ies) if there appears to be any unlawful conduct or a crime committed.

### **Investigation Process**

- 1.31 All reported cases to the chairman of the Audit Committee will be treated seriously and investigations will be performed with the approach as stipulated in the whistleblowing policy of the Group.
- 1.32 The Group will make every effort to treat all complaints in a confidential and sensitive manner after an Employee or a relevant party reports concern about any of the above matters. Individual Employee or relevant party making genuine and appropriate allegation or complaint under this Policy is assured of fair treatment. In addition, Employees are also assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action because of lodging a complaint.
- 1.33 Employees must cooperate fully and openly with any investigation into alleged or suspected corrupt, bribery or fraud activity in breach of this Policy. Failure to provide truthful information may lead to the Employee being subject to disciplinary action, including dismissal, if necessary.

- 1.34 If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, legal professional advice may be sought and the matter may be reported by the Group to the relevant law enforcement agency(ies). In such case, the investigation will be taken over by the law enforcement agency(ies).
- 1.35 Anyone found committing corruption, bribery and fraud will be subject to disciplinary action, which may include dismissal.
- 1.36 Records shall be kept for all reported misconducts and irregularities by the relevant parties in the Group. If a reported irregularity leads to an investigation, the party responsible for leading the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken in accordance with the Group's policy (or whatever other period may be specified by any relevant legislation).