



## **Renco Holdings Group Limited**

**融科控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

### **Anti-corruption and Anti-bribery Policy (“Policy”)**

#### **Ethical Commitment**

1. Renco Holdings Group Limited (the “**Company**”, together with its subsidiaries, hereafter referred to as (the “**Group**”)) regards honesty, integrity and fair play as its core values that must be upheld in all its business dealings for strictly prohibiting the solicitation and acceptance of any form of bribery or improper advantages, extortion and fraud from others relating to the Group’s business, and is committed to the prevention, deterrence, detection and investigation of all forms of bribery or improper advantages, extortion and fraud, whether in Hong Kong or elsewhere.
2. The board (the “**Board**”) of directors of the Company is accountable to the implementation of the anti-bribery efforts of the Group including core values, code of ethics, communication and training, oversight and monitoring of any fraud or bribery activities committed with the Group, and adoption of zero tolerance towards corruption and related malpractice.
3. This Policy applies to the Group, and to all directors, senior management (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) and staff members of the Group (including full time, part time and temporary staff members)(collectively known as the “**Directors and Staff**”).
4. All Directors and Staff are required to comply with this Policy, together with any additional requirements set by their employing company or by local law (which may be stricter than those set out in this Policy). This Policy should be read in conjunction with the Company’s Employee Handbook.
5. This Policy sets out the basic standard of conduct expected of all Directors and Staff who are required to adhere to, and also on acceptance of advantage and handling of conflict of interest when dealing with the Group’s business.

6. Questions in relation to this Policy should be directed to [**Chairman of the Board / Head of Human Resources Department / the Company Secretary / Audit Committee**] (the “**Approving Authority**”).

### **Prevention of Bribery**

7. The Company prohibits all forms of bribery and corruption. All Directors and Staff are prohibited from soliciting, accepting or offering any bribe in conducting the Group’s business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Group, they must comply with the Prevention of Bribery Ordinance (the “**POBO**”) of Hong Kong (the relevant provisions of the POBO are at Annex 1) and must not:
- a. solicit or accept any advantage from others as a reward for or inducement to doing any act or showing favour in relation to the Group’s business or affairs, or offer any advantage to an agent of another as a reward for or inducement to doing any act or showing favour in relation to his/her principal’s business or affairs;
  - b. offer any advantage to any public servant (including Government/public body employee) as a reward for or inducement to his/her performing any act in his/her official capacity or his/her showing any favour or providing any assistance in business dealing with the Government/a public body; or
  - c. offer any advantage to any staff of a Government department or public body while they are having business dealing with the latter.

### **Acceptance of Advantage**

8. The Directors and Staff should not solicit or accept any advantage for themselves or others, from any person, company or organization having business dealings with the Group 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
  - b. gifts given on festive or special occasions, subject to a maximum limit of HK\$1,000.00 or equivalent in other currency 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.

9. Gifts or souvenirs described in paragraph 8(a) that are presented to the Directors and Staff in official functions are deemed as offers to the Group. The Directors and Staff concerned should report the acceptance to the Group and seek direction as to how to handle the gifts or souvenirs from the Approving Authority using Form A (Annex 2). If any one of the Directors and Staff wishes to accept any advantage not covered in paragraph 8 above, he/she should also seek permission from the Approving Authority using Form A.
10. However, any one of the Directors and Staff should decline an offer of advantage if acceptance could affect his/her objectivity in conducting the Group's business or induce him/her to act against the interest of the Group, or acceptance will likely lead to perception or allegation of impropriety.
11. If any one of the Directors and Staff has to act on behalf of a client in the course of carrying out the Group's business, he/she should also comply with any additional restrictions on acceptance of advantage that may be set by the client (e.g. Directors and Staff performing any duties under a government or public body contract will normally be prohibited from accepting advantages in relation to that contract).

### **Offer of Advantage**

12. Directors and Staff are prohibited from offering advantages to any director, staff member or agent of another company or organization, 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 Group's business. Even when an offer of advantage carries no intention of improper influence, it should be ascertained that the intended recipient is permitted by his/her employer / principal to accept it under the relevant circumstance before the advantage is offered.

### **Entertainment**

13. According to the POBO, "entertainment" 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 the provision of food or drink.

14. Although entertainment is an acceptable form of business and social behaviour, Directors and Staff should avoid accepting lavish or frequent entertainment from persons with whom the Group has business dealing (e.g. suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

### **Records, Accounts and Other Documents**

15. Directors and Staff should ensure that all records, receipts, accounts or other documents they submit to the Group 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 Group, regardless of whether there is any gain or advantage involved, may constitute an offence under the POBO.

### **Compliance with Laws of Hong Kong and in Other Jurisdictions**

16. Directors and Staff must comply with all local laws and regulations when conducting the Group’s business, and also those in other jurisdictions when conducting business there or where applicable.
17. Companies of the Group having business operations outside Hong Kong should also observe the anti-corruption laws and regulations in the respective jurisdictions or any other anti-bribery laws that the company may be subject to, e.g. while operating in other jurisdictions. In particular, the following anti-corruption legislations have extra-territorial effect and may be applicable to the People’s Republic of China (“PRC”), American or United Kingdom-connected companies conducting business in Hong Kong:
  - Anti-Unfair Competition Law of the PRC;
  - Anti-Money Laundering Law of the PRC;
  - Tendering and Bidding Law of the PRC;
  - Criminal Law and Anti-Unfair Competition Law of the PRC;
  - Foreign Corrupt Practices Act of the United States; and
  - Bribery Act of the United Kingdom.

## **Conflict of Interest**

18. Directors and Staff should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Group) or the perception of such conflicts. When actual or potential conflict of interest arises, the Directors and Staff should make a declaration to the Approving Authority through the reporting channel using Form B (Annex 3).
19. Some common examples of conflict of interest are described below but they are by no means exhaustive:
  - a. Any one of the Directors and Staff 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 Group.
  - 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 Directors and Staff involved in the process.
  - c. A director of the Group has financial interest in a company whose quotation or tender is under consideration by the Board.
  - d. A staff member (full-time or part-time) of the Group undertaking part-time work with a contractor whom he/she is responsible for monitoring.

## **Misuse of Official Position, Company Assets and Information**

20. Directors and Staff must not misuse their official position in the Group to pursue their own private interests, which include both financial and personal interests and those of their family members, relatives or close personal friends.
21. Directors and Staff in charge of or having access to any Group's assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the Group's business. Unauthorized use, such as misuse for personal interest, is strictly prohibited.

22. Directors and Staff should not disclose any classified information of the Group without authorization or misuse any Group's information (e.g. unauthorized sale of the information). Those who have access to or are in control of such information, including information in the Group's computer system, should protect the information from unauthorized disclosure or misuse. Special care should also be taken in the use of any personal data, including directors', staff's and customers' personal data, to ensure compliance with Hong Kong's Personal Data (Privacy) Ordinance.

### **Outside Employment**

23. If a staff member of the Group wishes to take up employment outside the Group, he/she must seek the prior written approval of the Approving Authority. The Approving Authority should consider whether the outside employment would give rise to a conflict of interest with the staff member's duties in the Group or the interest of the Group.

### **Relationship with Suppliers, Contractors and Customers**

#### **Gambling**

24. Directors and Staff are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the Group.

#### **Loans**

25. Directors and Staff should not accept any loan from, or through the assistance of, any individual or organization having business dealings with the Group. There is however no restriction on borrowing from licensed banks or financial institutions.
26. The Company may include other guidelines on the conduct required of Directors and Staff in their dealings with suppliers, contractors, customers, and other business partners in relation to the Group as appropriate to specific trades.

## **Compliance with the Policy**

27. It is the responsibility of every one of the Directors and Staff to understand and comply with this Policy, whether performing his/her duties of the Group in or outside Hong Kong. Managers and supervisors of the Group should also ensure that the staff members under their supervision understand well and comply with this Policy.
28. The Accounting / Finance Department of the Group should therefore play a gatekeeping role in ensuring that effective financial controls and proper scrutiny, approval and use of funds in financial processes are carried out within the Group because an effective financial control system of the Group can help reduce the risk of corruption by ensuring proper procedures in and controls over the use and disbursement of funds.
29. Managers and supervisors of all business, functional and operational units of the Group also have the duty to exercise effective supervision to ensure that the processes and practices comply with this Policy and are free from corrupt practices. They should ensure that their subordinates have awareness of this Policy (e.g. by ensuring they have received suitable integrity and anti-corruption training), provide guidance and advice to them where necessary, and exercise reasonable monitoring over their conduct. The managers and supervisors of the Group should bring to the attention of the Approving Authority any irregularities, risk exposures or practices that are conducive to corruption, and work together with the relevant departments to improve the procedures and practices as necessary.
30. The Group should inform all its business partners (agents, consultants, contractors acting on the Group's behalf) of this Policy. As far as practicable, for major contracts and partnering arrangements, the Group should include suitable anti-corruption and probity requirements in the agreements with the business partners.
31. The Company will conduct internal audit regularly to ensure compliance with this Policy.

## **Reporting of Bribery and Suspicious Activity**

32. If any one of the Directors and Staff becomes aware of any actual or suspected breach of this Policy, he/she must report such incidents to the Approving Authority.
33. Companies of the Group should keep a register recording both suspected and actual incidents regardless of the amounts involved for facilitating the formal risk review and assessment by the Group. The relevant registered records reporting such suspected or actual cases should be addressed to the Approving Authority on a regular basis readily available for their independent review and follow-up action.
34. Directors and Staff are actively encouraged to report any concerns regarding bribery or improper advantages so as to ensure that such complaints are logged, investigated and appropriate action is taken. All reports of bribery or improper advantages will be investigated and appropriate sanctions will be implemented. Complaints are to be treated confidentially to the extent possible, and Directors and Staff raising legitimate concerns in good faith are to be protected.
35. Directors and Staff 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 Directors and Staff being subject to disciplinary action, up to and including dismissal.
36. Any one of the Directors and Staff in breach of this Policy will be subject to dismissal or disciplinary action, including termination of appointment. The Company will report the cases to relevant authorities (e.g. Independent Commission Against Corruption ("ICAC")) for further handling when necessary.
37. Any enquiries about this Policy should be made to the Approving Authority.



## Annex 1

### **Extracts of the Prevention of Bribery Ordinance (Cap. 201)**

#### **Section 9**

- (1) 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 –
  - (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
  - (b) 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.
  
- (2) 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 –
  - (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
  - (b) 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.
  
- (3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document –
  - (a) in respect of which the principal is interested; and
  - (b) which contains any statement which is false or erroneous or defective in any material particular; and
  - (c) which to his knowledge is intended to mislead the principal, shall be guilty of an offence.
  
- (4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).
  
- (5) For the purposes of subsection (4) permission shall –
  - (a) be given before the advantage is offered, solicited or accepted; or
  - (b) 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 (4), the

principal shall, before giving such permission, have regard to the circumstances in which it is sought.

#### **Section 4**

- (1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant's –
  - (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;
  - (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant or by any other public servant in his or that other public servant's capacity as a public servant; or
  - (c) assisting, favouring, hindering or delaying, or having assisted, favoured, hindered or delayed, any person in the transaction of any business with a public body,shall be guilty of an offence.
  
- (3) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section.

#### **Section 8**

- (1) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with the Government through any department, office or establishment of the Government, offers any advantage to any prescribed officer employed in that department, office or establishment of the Government, shall be guilty of an offence.
- (2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

#### **Section 2**

"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 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.

“Entertainment” 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.

### **Section 19**

In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.

Annex 2

Form A

**Renco Holdings Group Limited**  
**融科控股集團有限公司**  
**(“Company”)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

**REPORT ON GIFTS/ADVANTAGES RECEIVED**

Part A – To be completed by Receiving Staff

To : (Approving Authority)

Description of Offeror :

Name & Title :

\_\_\_\_\_

Company :

\_\_\_\_\_

Relationship (Business / Personal) :

\_\_\_\_\_

Occasion on which the Gift/Advantage

was / is to be received :

\_\_\_\_\_

Description & (assessed) value of the Gift/

Advantage:

\_\_\_\_\_

Suggested Method of Disposal :

Remark

Retain by the Receiving Staff

\_\_\_\_\_

Retain for Display / as a Souvenir in the Office

\_\_\_\_\_

Share among the Office

\_\_\_\_\_

Reserve as Lucky Draw Prize at Staff Function

\_\_\_\_\_

Donate to a Charitable Organization

\_\_\_\_\_

Return to Offeror

\_\_\_\_\_

Others (please specify) :

\_\_\_\_\_

\_\_\_\_\_  
(Name of Receiving Staff)

(Date)

(Title / Department)

Part B – To be completed by Approving Authority

To : (Name of Receiving Staff)

The recommended method of disposal is **\*approved / not approved**. \*The gift/  
advantage concerned should be disposed of by way of :

\_\_\_\_\_  
(Name of Approving Authority)

(Date)

(Title / Department)

\*Delete as appropriate

**Annex 3**

Form B

**Renco Holdings Group Limited**  
**融科控股集團有限公司**  
**(“Company”)**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 2323)**

**DECLARATION OF CONFLICT OF INTEREST**

Part A – Declaration (To be completed by Declaring Staff )

To : (Approving Authority) via (supervisor of the Declaring Staff)

I would like to report the following actual/potential\* conflict of interest situation arising during the discharge of my official duties:-

<b>Persons/companies with whom/which I have official dealings</b>
<b>My relationship with the persons/companies (e.g. relative)</b>
<b>Relationship of the persons/companies with our Company (e.g. supplier)</b>
<b>Brief description of my duties which involved the persons/companies (e.g. handling of tender exercise)</b>

(Date)

\_\_\_\_\_  
(Name of Declaring Staff)  
(Title / Department)

Part B – Acknowledgement (To be completed by Approving Authority )

To : (Declaring Staff) via (supervisor of the Declaring Staff)

**Acknowledgement of Declaration**

The information contained in your declaration form of \_\_\_\_ (Date) \_\_\_\_ is noted. It has been decided that:-

- ( ) You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- ( ) You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the Company’s interest without being influenced by your private interest.
- ( ) Others (please specify) :

(Date)

\_\_\_\_\_  
(Name of Approving Authority)  
(Title / Department)

\*Delete as appropriate