

Shoucheng Holdings Limited

Anti-Corruption Policy

(Adopted on 25th August, 2022)

ANTI-CORRUPTION POLICY

1. INTRODUCTION

Shoucheng Holdings Limited (the “**Company**”) and its subsidiaries (collectively “**Group**”) are committed to complying with all applicable laws and regulations in the jurisdictions in which the Group operates in order to prevent corruption and bribery in any of its business transactions. To this end, the Company has devised an anti-corruption policy (the “**Policy**”).

2. PURPOSE AND APPLICABLE AREA

The purpose of formulating the Policy is to provide guidance to all directors, management and employees of the Group (collectively, the “**Employees**”) on how to deal with corruption, bribery and related matters that may arise in the course of business. All Employees must conduct their business 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 are employed. The Company encourages and expects its business partners, including suppliers, contractors and customers, to adhere to the principles of the Policy.

3. POLICY

3.1 Acceptance of Advantage

All Employees 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\$500 in value; or
- (c) discounts or other special offers given by any person or company to Employees, on terms and conditions equally applicable to other general customers.

Gifts or souvenirs described in above that are presented to all Employees in official functions are deemed as offers to the Company. If an Employee wishes to accept any other advantage that not mentioned above, he/she should seek approval from the Office of the Board.

An Employee 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 .

If an Employee has to act on behalf of a client of the Group in the course of carrying out the Company’s business, he/she should also comply with any additional restrictions on the acceptance of advantage that may be set by the client (e.g.

directors and staff members performing any duties under a government or public body contract will normally be prohibited from accepting advantages in relation to that contract).

3.2 Entertainment

Although entertainment (such as the provision of food or beverages for consumption on the occasion when it is provided) is an acceptable form of business and social behavior, all Employees should avoid accepting lavish or frequent entertainment from person with whom the Group has business dealing (such as a customer, supplier or contractor) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

4. OFFER OF ADVANTAGE

Employees 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 employer/principal to accept it under the relevant circumstance before the advantage is offered.

For the purpose of this paragraph, "advantages" do not include those described in paragraphs 3.1(a) to (c).

5. CONFLICT OF INTERESTS

All Employees should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interests of the Group) or the perception of such conflicts. They should report actual or potential conflict of interest situations to the Office of the Board of the Company as they arise.

The following are some common examples of conflicts of interest (conflict of interest situations cannot be exhaustively listed):

- (a) A staff member 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 staff member involved in the process.
- (c) A director has financial interest in a company whose quotation or tender is under consideration by the board.
- (d) A full-time or part-time staff member undertaking part-time work with a contractor whom he/she is responsible for monitoring.

6. RECORDS, ACCOUNTS AND OTHER DOCUMENTS

All Employees 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. Employees who intentional use documents containing false information to deceive or mislead the Company are prohibited, regardless of whether there is any gain or advantage involved.

The Company should establish a robust financial and accounting control system, including adequate segregation of duties, authorization controls and logging of entries or changes to ensure the accuracy and completeness of its books of account, as well as to prevent or detect any irregularities. Such system is subject to regular review and audit.

Accurate records of all corporate transactions must be kept. All receipts and expenditures must be supported by documents that describe them accurately and properly. The falsification of any book, record or account of any company within the Group is prohibited.

7. COMPLIANCE WITH THE LAWS OF HONG KONG AND OTHER JURISDICTIONS

All Employees 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.

Violations of this Policy and applicable laws and regulations relating to anti-corruption may result in disciplinary action (which may include summary dismissal) and, where applicable, criminal prosecution.

8. REPORTING AND INVESTIGATION PROCEDURES

If an Employee becomes aware of any actual or suspected violations of this Policy, he/she must report such incidents in accordance with the reporting channels and procedures set forth in the Company's Whistleblower Policy. The Whistleblower Policy provides a mechanism for Employees and those who deal with the Group to report concerns about any suspected impropriety, misconduct or fraud through confidential reporting channels.

Employees 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 Employee being subject to disciplinary action, up to and including dismissal.

9. EFFECTIVENESS, INTERPRETATION, ENFORCEMENT AND AMENDMENT OF THE POLICY

- This Policy is effective on the date of approval of the Board.
- The Board is responsible for the interpretation of this Policy and supervising its implementation.
- Any amendments to this Policy must be reviewed by the Audit Committee before being submitted to the Board for approval.