

## INTEGRITY POLICY

Royal Deluxe Holdings Limited (the “Company”) prohibits all forms of bribery and corruption and is committed to integrity, honesty and anti-corruption practices in doing business. All directors / shareholders / business partners and staff (hereafter referred as “personnel”) must abide by this integrity policy and the associated company rules / guidelines / code of conduct\*.

- Our Company and all personnel have to observe the Prevention of Bribery Ordinance (Cap. 201), the Competition Ordinance (Cap. 619) and other integrity-related laws in Hong Kong Special Administrative Region (*please see Appendix*).
- Our Company does not allow our personnel to solicit or accept any advantages<sup>1</sup> from any individuals or organisations having business dealings with our Company unless permission is granted for the acceptance.
- Our Company prohibits all personnel from offering advantages to any staff or member of a government department or public body while having dealings of any kind with them. We also prohibit all personnel from offering advantages to any individual of organisations, whether directly or indirectly, for influencing them in any dealing, when conducting business with our Company.
- Our Company’s personnel are required to avoid accepting lavish or frequent entertainment from others having business dealings with our Company.
- Our company requires all personnel to avoid any conflict of interest situation, or the perception of such. If unavoidable, the personnel concerned should make a declaration to the approving authority who should decide on the actions for mitigating the conflict.
- Our Company prohibits all personnel from disclosing any classified information without authorisation, and misusing any Company information.
- Our Company has an internal reporting mechanism for our personnel to enquire matters relating to integrity and report possible breaches of integrity requirements. Our Company handles these reports promptly and in strict confidence.
- Our Company strictly forbids retaliation against any personnel who, in good faith, reports possible breaches of integrity requirements or who participates in the inquiry / investigation of the allegation.

Name & Signature(s) of Top Management<sup>2</sup>: Mr. Wang Kei Ming

Company Chop: Royal Deluxe Holdings Limited

Date :

1 Advantage is defined under the Prevention of Bribery Ordinance (Cap. 201) covering any gift, loan, fee, reward, commission, office, employment contract, discharge from obligation/liability/loan, service and favour, exercise or forbearance from exercise of right/power/duty, etc.

2 Top Management means the registered company director under the Companies Ordinance or sole proprietor or partners for unincorporated companies, or person authorized by the company.

## 1.0 Prevention of Bribery

### 1.1 Prevention of Bribery Ordinance

Under Section 9 of the Prevention of Bribery Ordinance (PBO), any director or staff member who, without the permission of his employer or principal (i.e., the **Company** or the RSTC), solicits or accepts an advantage as a reward or inducement for doing any act or showing favour in relation to the latter's business, commits an offence. The person offering the advantage also commits an offence. Refer to Section 2 of the PBO for the definition of "advantage".

The **Company** prohibit all forms of bribery and corruption. All directors and staff are prohibited from soliciting, accepting or offering any bribe in conducting the **Company's** business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the **Company**, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong 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 **Company'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 principal's business or affairs. Particularly, in the recruitment of workers, it is a strict prohibition of soliciting and / or accepting advantage (such as unauthorised introduction fee) from workers;
- (b) offer any advantage to any public servant (incl. Government / public body employee) as a reward for or inducement to his performing any act in his official capacity or his 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.

### 1.2 Acceptance of Advantage

The **Company's** policy shall be that directors and staff do not solicit or accept any advantage for themselves or others, from any person, company or organisation having business dealings with the **Company**, except that they may accept (but not solicit) the following advantages 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 specified 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; or
- (d) gifts or souvenirs of nominal value presented to them in official functions.

No director or staff member of the **Company** should accept any advantage from a subordinate, except those mentioned in paragraphs (a) and (b) above. Gifts or souvenirs described in paragraph (d) above are deemed as offers to the **Company**.

The directors and staff members concerned should report the acceptance to the **Company** and seek direction as to how to handle the gifts or souvenirs from the approving authority with written record. If a director or staff member wishes to accept any advantage not covered in the above paragraphs, he / she should also seek permission from the approving authority with written record.

However, a director or staff member should decline an offer of advantage if acceptance could affect his / her objectivity in conducting the **Company's** business or induce him / her to act against the interest of the **Company**, or acceptance will likely lead to perception or allegation of impropriety.

If a director or staff has to act on behalf of a client in the course of carrying out the **Company's** business, he / she should also comply with any additional restrictions on acceptance of advantage that may be set by the client.

### 1.3 Offer of Advantage

Directors and staff are prohibited from offering advantages to any director or staff of another company or organisation, for the purpose of influencing such person or company in any dealings, or any member or staff of a government department or public body while having business dealings with the latter, whether directly or indirectly through a third party, when conducting the **Company's** business.

### 1.4 Entertainment

As defined in Section 2 of the PBO, “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, a director or staff member should avoid accepting overly lavish or frequent entertainment from persons with whom the **Company** has business dealings (e.g. suppliers or contractors) or from his / her subordinates to avoid placing himself / herself in a position of obligation.

### 1.5 Records, Accounts and other Documents

Directors and staff should ensure that all records, receipts, accounts or other documents they submit to the **Company**, give a true representation of the events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the **Company**, regardless of whether there is any gain or advantage involved, may constitute an offence under the PBO.

### 2.0 Compliance with laws of Hong Kong and in Other Jurisdictions

Directors or staff shall comply with all local laws and regulations when conducting the **Company's** business, and also those in other jurisdictions when conducting business there.

### 3.0 Conflict of Interest

Directors and staff should avoid any conflict of interest situation (i.e., situation where their private interest conflicts with the interest of the **Company**) or the perception of such conflicts. They should not misuse their position or authority in the **Company** to pursue their own private interests which include both financial or personal interests and those of their family members, relatives or close personal friends. When actual or potential conflict of interests arises, the director or staff member should make a declaration to the management through the reporting channel with written record.

Some examples of conflict of interest are described below but they are by no means exclusive –

- (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 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 of the **Company** has financial interest in a company whose quotation or tender is under consideration by the **Company**.
- (d) A staff member (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

Taking into account individual circumstances of the conflict of interest situations and possible public perception, the management should take appropriate mitigating measures (e.g. restrict the director / employee's involvement in the task, appoint an independent party to oversee the work, redeploy another director / employee to take up the task or, if the situation warrants, request the director / employee to relinquish his private interest). Even if the risk is very remote and no mitigating action is considered necessary, the declared conflict of interest and related decision with justifications should be properly recorded.

#### 4.0 Use of Company Asset

Directors and staff in charge of or having access to any **Company** assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the **Company's** business. Unauthorised use, such as misuse for personal gain, is strictly prohibited.

#### 5.0 Confidentiality of Information

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

#### 6.0 Outside Employment

Any full time staff who wish to take up employment outside the **Company**, shall 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's duties or the interest of the **Company**.

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

##### 7.1 Gambling

Directors and staff are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the **Company**.

##### 7.2 Loans

Directors and staff should not accept any loan from, or through the assistance of, any individual or organisation having dealings with the **Company**. There is however no restriction on borrowing from licensed banks or financial institutions.

[The Company may wish to include other guidelines on the conduct required of directors and staff in their dealings with suppliers, contractors, customers, and other business partners as appropriate]

## Appendix A

### Acceptance of Advantages

#### Control Guideline

Relevant Persons should not solicit or accept any Advantages from any person or company having business dealings with The Company {e.g. client, suppliers, contractors}.

However, they are allowed to accept (but not solicit) the following gifts offered voluntarily:

1. Advertising or promotional gifts of a nominal value; or
2. Gifts given on festive or special occasions subject to a maximum value as set out in the Anti Bribery and Corruption Policy (th “ABC Policy.”)

Relevant Persons may accept, though not to solicit, of Chinese New Year Red Packets or “lai see” given as a token of local custom during festive season of up to HK\$/RMB100 (or equivalent in other local currency).

#### Procedures

1. All Advantages (except advertising or promotional gifts of a nominal value) to Relevant Persons should be declared by the Relevant Person and acknowledged or approved by his or her immediate Supervisor, the relevant Head of Department and HR&A.
2. In the declaration, the Relevant Person should indicate the date of receipt, name of the person offering the Advantage and how the Advantage was handled, e.g. accepted by the Relevant Person, shared with team members or donated as lucky draw items in spring/annual dinners.
3. Head of HR&A will issue a circular to all staff prior to Chinese New Year, Mid-Autumn Festival, Christmas and New Year reminding them to declare gifts received from clients or business associates irrespective of the value. Declaration should be made by completing the “Gifts Declaration Form” on the Company’s Intranet portal and routing back to the Head of HR&A.

## Appendix B

### Offer of Advantages

#### Control Guideline

Under no circumstances may a Relevant Person offer an Advantage to any person, including government officials, or company having business dealings with the Company for the purpose of influencing such person or company in any business dealings.

Relevant Persons should exercise good judgment and practise moderation in giving gifts. Excessive gifts in terms of value or frequency should not be offered to potential or existing customers. Gifts bearing the Company logo are preferred.

The provision of advertising or promotional gifts of a nominal value or gifts given on festive or special occasions (including Royal Deluxe | Ming Tai's branded vouchers or coupons) is permitted subject to a maximum value as set out in the ABC Policy.

#### Procedures

1. For Advantages offered to speakers or facilitators of training programmes or luncheon talks which are given on a complimentary basis, the Training & Development Team of HR&A will request corporate items from the Business Development team. The request must be submitted with the purpose of the request and the name of the receiver and his/her company clearly stated.
2. Subject to 3 below, for offer of Advantages, Relevant Persons should obtain the proper approval from the relevant Heads of Department. Gifts offered to customers for use at customers' official functions, including cash vouchers, should be at the discretion of Director or General Manager. Gifts bearing the Company's logo and cash vouchers for use within The Company portfolio are encouraged.
3. Prior approval of the Chief Executive should be obtained for any offer of Advantages with a value exceeding HK\$2,000 or equivalent.
4. The Relevant Person should submit the claim with sufficient supporting details, including date, purpose, name of recipient, description and value of the Advantage, etc.
5. The Finance Department should produce a quarterly report on "Offer of Advantages" with value exceeding HK\$500 or equivalent for review by the Chief Executive.

## Appendix C

### Charitable Contributions and Sponsorship

#### Control Guideline

Use of The Company' resources to make or solicit contributions to charitable organisations or other organisations, if done in accordance with applicable laws and regulations, is appropriate.

Care must be taken to ensure that such activities do not create, or appear to create, an improper Advantage to the Company.

#### Procedures for Charitable Contributions

1. Charitable contributions are only given to recognised charitable bodies with a strong track record of delivering value to the community or the environment.
2. All such contributions by the Company to the charitable body should be authorised by the Chief Executive. When seeking approval, the initiators should provide supporting details including date, purpose and amount, etc.
3. Such contributions and sponsorships are managed by and accounted for in the Company budget by the Public Affairs Department.

#### Procedures for Sponsorships

1. Sponsorship may be of a charitable nature (such as sponsoring a charity sports event) or for commercial purposes (such as sponsorship items for a counterparty's annual dinner or lucky draw).
2. Sponsorships are only given to recognised legal entities which have a strong track record of providing the appropriate level and type of exposure for corporate sponsors in return for the sponsorship.
3. In addition to cash payments, sponsorships may include items such as free flights, hotel vouchers, food and beverage or supermarket coupons. All sponsorship items must be recorded fairly and accurately in a register maintained by the relevant business or functional unit (as the case may be) in accordance with any practice as may be issued by the Company from time to time.
4. Such contributions and sponsorships are managed by and accounted for in the Company budget by the Business Development team.

## Appendix D

### Entertainment and Corporate Hospitality

#### Control Guideline

Relevant Persons should be particularly vigilant in offering or being offered entertainment and turn down invitations to meals or entertainment that are excessive in nature or frequency and appear to have no or minimal business purpose.

#### Procedures on Entertainment

1. When Relevant Persons need to entertain or pay for meals for customers or business associates, they are expected to use their judgment to determine whether the kind of entertainment is appropriate and expenses incurred are reasonable.

Factors such as the image of the Company, local customs, etc. should always be considered.

2. If several members of staff are present at the same event, the most senior member of staff should pay and file an expense claim for approval by his/her manager followed by the relevant Head of Department.

#### Procedures on Corporate Hospitality

1. Corporate hospitality events are arranged by the Business Teams or Public Affairs Department from time to time to recognise the support given to the Company by our customers, business partners and journalists/media representatives and to build relationships with them.
2. Larger events are managed by and accounted for in the Company budget by the Business Team; smaller events are paid out of each department's entertainment budget. Approval for the payment of such events should follow the Company' payment approval matrix("MOA").
2. Corporate hospitality events should generally involve either gifts of low or nominal value or small items of low value from the Company merchandise catalogue.

## Appendix E

### Engaging an Agent or a Consultant

#### Control guideline

Relevant Persons should take all reasonable steps to ensure that agents or consultants have fully complied or will comply with applicable anti-corruption laws to which they are subject and to appropriately encourage them to adhere to the general principles as set out in the Company Code of Conduct.

#### Procedures

1. To the extent practicable, invite two to three potential service providers to submit proposals or quotations.
2. Prior to engaging service providers, meet with potential candidates and clearly communicate to them the Company Supplier Code of Conduct and operating principles. The service providers will need to complete and sign a questionnaire so as to ensure their compliance with the Company Supplier Code of Conduct.
3. Review their “Terms of Service” and check their current and former client references.
4. Wherever possible, a reasonable assessment of the background of service providers should be carried out, including industry experience, credit check and history of legal proceedings.
5. Obtain approval from the designated management personnel when the suitable service provider is selected before signing the relevant contract.
6. Where appropriate, adhere to relevant term of the Group’s Project Manual.
7. Direct appointments may be necessary in special circumstances and in such cases, prior written approval from the relevant Head of Department should be obtained.

## Appendix F

### Joint Venture Partners and Contractors

#### Control Guideline

All Relevant Persons are required to take all reasonable steps to ensure that any individuals or companies (including contractors) hired to conduct business on behalf of the Company and over which the Company has direct control develop and implement anti-corruption policies consistent with the general principles of this Code. All such individuals or companies over which the Company does not have direct control should be required contractually (and where not legally possible be appropriately encouraged) to develop and implement such policies as are appropriate to ensure compliance with the anti-bribery laws to which they are subject.

All Relevant Persons are required to take all reasonable steps to ensure that any joint venture partners are informed of the anti-bribery principles of this Code and to encourage them to apply such principles in their conduct of business.

#### Procedures for selecting joint venture partners

1. All Relevant persons are required to take all reasonable steps to inform joint venture partners of the anti-bribery principles of the Company Code of Conduct and to encourage them to apply such principles in their conduct of business.
2. Before engaging new joint venture partners, where practicable, reasonable due diligence should be carried out on their background, track record and financial status.

#### Procedures for selecting contractors

1. All Relevant Persons will prepare the pre-determined specifications / requirements / scope of services for the products / services required.
2. Invite tenders from contractors as appropriate. Exceptions should be duly approved by Chief Executive and documented.
3. Tenderers are evaluated based on their capability, financial strength, company structure and reputation.
4. Additional due diligence is performed by checking their current and former client references, as well as relevant work permits and licenses where applicable.
5. Prior to engagement of contractors, meet with tenderers and clearly communicate the Company Supplier Code of Conduct and operating principles.
6. For products or services specified in the Company forthcoming Green Guidelines, the Company will follow the Guidelines wherever possible during the selection process.

7. Contract will be awarded to the tenderer which offers the best value for money, complies with the Company's Supplier Code of Conduct and meets our service standard.
8. Where appropriate, adhere to "Contract Procurement Process" of the Company.