

# **Code of Conduct for External Parties**

Note: If there should be any discrepancy or contradiction in between the English and translated Chinese versions, the English version shall prevail.

## I. OBJECTIVE

- ENM Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are committed to the principles of honesty, integrity and fair play as our core values that must be upheld by all employees of the Group at all times.
- Transparency and disclosure are critical elements under the Code and in expected employee behavior.
- This Code of Conduct for External Parties sets out the basic standard of conduct expected of all employees and provides the general principles when dealing with the Company’s businesses.
- The information on this document is provided to external parties of the Group, including ‘The Swank Shop Limited’ and ‘Hilltop Country Club’ as a reference to the Group’s employee policy on the Code of Conduct.

## II. SCOPE

- This policy applies to all employees of the Group only (including full-time, part-time and temporary employees).

## III. STANDARD OF CONDUCT

### (1) PREVENTION OF BRIBERY

#### 1. General Rules

The Company prohibits all forms of bribery and corruption. All employees are prohibited from soliciting, accepting or offering any bribe or advantage 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 or refraining from 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 or refraining from doing any act or showing favour in relation to his 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 performing any act in his official capacity or his showing any favour or providing any assistance in business dealings 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 dealings with the latter.

## 2. Acceptance of Advantage

2.1 It is the Company's policy that employees should not solicit or accept any advantage for themselves or others, from any person, company or organization having business dealings with the Company or any subordinate, except that they may accept (but not solicit) the following when offered on a voluntary basis (in case of doubt, employee should refer the matter to the Approving Authority of the Group (*Approving Authority*) for advice and instructions):

### (A) External Parties

- (a) Advertising or promotional gifts or souvenirs of a nominal value. For the purposes of the Code, nominal value is set at HK\$500 above which level any such gift or souvenir should be disclosed for determination by the *Approving Authority* as to its disposition (any doubt as to what is an advertising or promotional nature or how to assess nominal value should be referred to the *Approving Authority*); or
  - (b) "Lai Sees" or "Cash coupons" of HK\$300 or below. For any "Lai Sees exceeding HK\$300" or "Cash coupons exceeding HK\$300" presented to employees during Chinese New Year, Christmas or festive occasions when those are traditionally given, employee has to report to *Approving Authority* for further handling.
  - (c) "Gifts" or "Hampers" of HK\$500 or below. For any "Gifts exceeding HK\$500" or "Hampers exceeding HK\$500" presented to employees during Chinese New Year, Christmas or festive occasions when those are traditionally exchanged, employee has to report to the *Approving Authority* for further handling.
  - (d) 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.
  - (e) Employees can accept, but not solicit, a gift or gifts (whether of money or otherwise) on an occasion including an employee's birthday, wedding, wedding anniversary, engagement, baptism, new birth celebration, close relative's death or retirement when gifts are traditionally given or exchanged, so long as the value or apparent value in total of the gift or gifts is reasonable in all the circumstances. "Reasonable" for the purposes of this clause is defined as a value of less than \$1,000 for birthdays, anniversaries, engagements, children's birth or baptism or a close relative's death and \$3,000 for retirement or a wedding. The *Approving Authority* may exercise discretion to exceed these amounts depending on the surrounding circumstances, provided the matter is disclosed as soon as practicable.
- 2.2 Gifts or souvenirs or merchandise samples that are presented to employees by virtue of their position in the Company are deemed as offers to the Company. The employees concerned should report the acceptance to the Company and seek direction as to how to handle the gifts or souvenirs or merchandise samples from the *Approving Authority*. If an employee wishes to give / accept any advantage not covered, he/she should also seek permission from *Approving Authority*.
- 2.3 However, an employee 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 interests of the Company, or acceptance will likely lead to perception or allegation of impropriety.

- 2.4 If an employee 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 (e.g. employees performing any duties under a government or public body contract will normally be prohibited from accepting advantages in relation to that contract).

### **3. Offer of Advantage**

- 3.1 Employees are prohibited from offering advantages to any director, employee 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 Company'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.

### **4. Entertainment**

- 4.1 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.
- 4.2 Although entertainment is an acceptable form of business and social behaviour, an employee should avoid accepting or offering lavish or frequent entertainment from persons with whom the Company has business dealing (e.g. suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

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

- 5.1 Employees should ensure that all records, receipts, accounts or other documents they submit to the Company 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 Company, regardless of whether there is any gain or advantage involved, may constitute an offence under the Prevention of Bribery Ordinance and are a breach of this Code of Conduct potentially leading to disciplinary action by the Company.

## **(2) COMPLIANCE WITH LAWS OF HONG KONG AND IN OTHER JURISDICTIONS**

- 2.1 Employee must comply with all local laws and regulations when conducting the Company's business, and also those in other jurisdictions when conducting business there<sup>1</sup> or where applicable<sup>2</sup>.

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<sup>1</sup> The '*Business Success: Integrity & Legal Compliance*' – *Corruption Prevention Guide for SMEs in Guangdong, Hong Kong and Macao* jointly published by the ICAC, the Guangdong Provincial People's Procuratorate and the Commission Against Corruption of Macao provides guidance on the anti-bribery laws in Hong Kong, Mainland China and Macao. Directors and staff conducting the Company's business there may find it helpful.

<sup>2</sup> Some other countries' anti-bribery laws have provisions with extra-territorial effect, e.g. the UK's Bribery Act 2010, the USA's Foreign Corrupt Practices Act.

**(3) CONFLICT OF INTEREST**

- 3.1 Employee 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. When actual or potential conflict of interest arises, it should be immediately disclosed, by the employee immediately making a declaration to the *Approving Authority*.
- 3.2 Some common examples of conflicts of interest are described below but they are by no means exhaustive:
- (a) An employee 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 employee involved in the process.
  - (c) An employee (also as director) of the Company has a financial interest in a company whose quotation or tender is under consideration by the Company at whatever level.
  - (d) An employee (full-time or part-time) undertaking part-time or consultancy work with a contractor or service provider whom he is responsible for monitoring.

**(4) MISUSE OF OFFICIAL POSITION, COMPANY ASSETS AND INFORMATION**

- 4.1 Employee must not misuse their official position in the Company to pursue their own private interests, which include both financial and personal interests and those of their family members, relatives or close personal friends.
- 4.2 Employees 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. Unauthorized use, such as misuse for personal interest, is strictly prohibited.
- 4.3 Employees 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 systems, should protect the information from unauthorized disclosure or misuse. Special care should also be taken in the use of any personal data, including directors', employee's and customers' personal data, to ensure compliance with Hong Kong's Personal Data (Privacy) Ordinance.

**(5) OUTSIDE EMPLOYMENT**

- 5.1 If an employee wishes to undertake outside paid employment, including those on a part-time basis, he/she must seek the prior written approval of *Approving Authority* before accepting outside work.
- 5.2 Approval will not be given if the outside employment would give rise to a conflict of interest with the employee's duties in the Company or the interests of the Company.

(6) **RELATIONSHIP WITH SUPPLIERS, CONTRACTORS AND CUSTOMERS**

**6.1 Gambling**

Employees are advised not to engage in frequent gambling activities (e.g. mahjong) with persons having business dealings with the Company. In particular, company employees are not permitted to participate in the gambling components of any mahjong or card games being undertaken at the Club.

**6.2 Loans**

Employees should not accept any loan from, or through the assistance of, any individual or organization having business dealings with the Company. There is however no restriction on borrowing from licensed banks or other regulated financial institutions (including those that may provide financial services to the Company).

(7) **COMPLIANCE WITH THE CODE**

- 7.1 It is the responsibility of every employee of the Company to understand and comply with this Code, whether performing his/her duties of the Company in or outside Hong Kong. All current employees, and all new employees upon joining, will be provided with a copy of the Code.
- 7.2 Any non-compliance or alleged non-compliance with the Code will be assessed by the relevant Company authority for the appropriate disciplinary action which – dependent on severity can lead to actions up to and including termination.
- 7.3 In cases of suspected corruption or other criminal offences, a report should be made to the appropriate authority.

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