



# China Boton Group Company Limited

## 中國波頓集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3318)**

### **ANTI-CORRUPTION POLICY**

*(Adopted by the Company on 16 June 2022)*

#### **1. Objective**

- 1.1 China Boton Group Company Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) fully support the global effort to stamp out corruption. The Group is committed to achieving the highest standards of business conduct and has zero tolerance for corruption and related malpractice, including, but not limited to, bribery, fraud, money laundering or financing of terrorist acts, etc.
- 1.2 This Policy forms an integral and vital part of the Group’s corporate governance framework and should be read in conjunction with other relevant policies of the framework, such as Whistleblowing Policy, which outlines the Group’s reporting mechanism of any corruption practices.

#### **2. Scope of Application & Responsibilities**

- 2.1 This Policy applies to all personnel of the Group, including directors or employees at all levels and others who may provide services to or act on behalf of the Group.
- 2.2 The board of directors of the Company (the “**Board**”) has overall responsibility in overseeing and implementing this Policy.

#### **3. Policy Statement**

- 3.1 The Group has zero tolerance for corruption of any form. It is committed to prohibiting the solicitation and acceptance of bribes or improper advantages from others in relation to the Group’s business affairs, whether in Hong Kong or elsewhere. The Group also prohibits the offering of bribes or improper advantages to agents of others in carrying out the Group’s business and the offering of advantages to public servants while having business dealings with their organisations, whether in Hong Kong or elsewhere.
- 3.2 All personnel of the Group are required to adhere to high standards of professional and ethical conduct and should always act in the best interest of the Group, place public interest above private interest and ensure that no conduct would bring the Group into disrepute.

- 3.3 The Group conducts risk assessment regularly to identify and evaluate corruption risks. Internal control systems are designed and established to maintain effective monitoring and/or elimination of corruption risks. An effective whistleblowing system is in place to enable concerns can be raised without fear.
- 3.4 The Board assigns to the senior management of the Group's subsidiaries (the "Group Companies") to supervise and monitor the corruption risk management work, to identify the business operations and processes that contribute to the growth of corruption, assessing the corruption risk in business functions/processes (e.g. purchasing, sales and marketing, inventory management or human resources management) in the possibilities and impacts, review the adequacy and effectiveness of policies, practices and procedures that have been implemented to identify any corruption gaps, and develop appropriate controls and procedures to mitigate the risks associated with or respond to the occurrences of corruption incidents.

#### **4. Definition of Corruption**

- 4.1 Corruption is the misuse of public power for private profit or the misuse of entrusted power for private gain.
- 4.2 Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage.
- 4.3 Bribery and corruption can take many forms, including the provision or acceptance of:
- (a) cash payments;
  - (b) phony jobs or "consulting" relationships;
  - (c) kickbacks;
  - (d) political contributions;
  - (e) charitable contributions;
  - (f) social benefits; or
  - (g) gifts, travel, hospitality, and reimbursement of expenses.

#### **5. Anti-Corruption Guidelines**

- 5.1 All personnel of the Group, including all Directors and committee members of the Group companies (whether acting in their own capacity or on the Group's behalf), are strictly prohibited from:
- (a) **offering, promising, giving or authorising**, directly or indirectly, any bribe, kickback, facilitation payment or advantage to or for the benefit of any person, for the purpose of obtaining business or other benefit for the Group, for themselves, or for anyone else;

- (b) **soliciting, accepting or receiving**, directly or indirectly, any bribe, kickback, facilitation payment or advantage from any person in return for providing any business or benefit;
  - (c) **otherwise using illegal or improper means** (including bribes, favours, blackmail, financial payments, inducements, secret commissions, loans, and other advantages) to influence the actions of others; and
  - (d) **acting as an intermediary** for a third party in the solicitation, acceptance, payment or offer of a bribe or kickback.
- 5.2 Directors and staff in charge of or having access to any Group assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the Company's business. Any unauthorized use, such as misuse for personal interest, is strictly prohibited.
- 5.3 All personnel of the Group should report any suspected misconduct or malpractice via various reporting channels in writing to the Board or the senior management of the Group Companies, including via whistleblowing channel, confidentially if one considers appropriate. (Please refer to the Whistleblowing Policy for more details)
- 5.4 All personnel of the Group are required to follow all applicable laws and regulations related to anti-bribery and corruption in jurisdictions in which the Group operates, in particular the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong) ("**POBO**").

## **6. Discipline**

- 6.1 Failure to comply with applicable anti-corruption laws, or internal requirements related to anti-corruption may result in disciplinary action (which may include immediate termination of employment) and where applicable, civil action, criminal prosecution and/or regulatory penalties against the parties concerned.
- 6.2 Any employee who misleads or hinders investigators inquiring into potential violations of this Policy will be subject to disciplinary action. In all cases, disciplinary action may include termination of employment.

## **7. Communication and training**

The Group Companies shall ensure that the Directors and employees of the Group are aware of this Policy, including applicable local procedures and regulations, and have clear procedures in place for reporting actual or suspected violations of this Policy and suspicious activity. Each group company shall provide regular training to key employees in their departments on the risks of fraud, bribery, corruption, money laundering and financing of terrorism or non-compliance with the Prevention of Bribery Ordinance as well as relevant laws, regulations and standards of conduct.

## **8. Review and Monitoring**

The Board will from time to time review this Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

## **9. Reference**

9.1 The Group's whistleblowing policy.

9.2 Full text of the POBO can be found in the Hong Kong e-Legislation of Department of Justice at: <https://www.elegislation.gov.hk/hk/cap201>

9.3 Staff and management should also refer to Anti-Corruption Programme – A Guide for Listed Companies (上市公司防貪系統實務指南). A copy is available at: <https://hkbedc.icac.hk/lc/tc/guide-list-com.html>