



WINOX

WINOX HOLDINGS LIMITED

盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

ANTI-CORRUPTION POLICY

(Adopted pursuant to the Board Meeting of the Company held on 27 June 2022)

Purpose

Winox Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) are committed to abiding by all laws and regulations or exceeding them (if necessary), to prevent corruption and bribery in all business dealings.

This Policy pursues the following goals:

- Prohibiting any forms of bribery or corruption, money laundering and financing of terrorism in the Group's business operations, including on behalf of and in connection with the Group and/or its employees, in which may lead to any criminal and civil penalties and reputational damage.
- Requiring employees of the Group at all levels, external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group, such as agents, consultants and outsourcing contractors, to comply with the requirements of the applicable anti-corruption laws, including the Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong) (“POBO”) and other relevant laws of other countries or territories so as to support the execution of anti-corruption laws and regulations.
- Reinforcing the Group’s commitment to conduct business globally with the highest standards of honesty and integrity.
- Promoting an anti-corruption culture, implementing the best practices and standards of responsible business conduct, including in the area of anti-corruption compliance and adopting a policy of zero tolerance to corruption.

Scope

This policy applies to all the employees of the Group, external parties having business dealings with the Group and those acting on behalf of the Group. They are required to strictly comply with laws and regulations, professional ethics and company rules and regulations, and establish a working atmosphere of integrity and diligence so as to prevent the occurrence of events that damage the interests of the Group, its subsidiaries and shareholders.

In this Policy, the following words shall have the meanings set out below:

“advantage” shall mean:

- 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;
- any office, employment or contract;
- any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- 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;
- the exercise or forbearance from the exercise of any right or any power or duty; and
- any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs.

“bribes” shall mean anything of value given in an attempt to affect a person’s actions or decisions in order to gain or retain a business advantage;

“hospitality” shall mean meals, receptions, tickets to entertainment, social or sports events; and

“kickback” shall mean the return of a sum already paid or due as a reward for awarding further business.

Anti-Corruption and Bribery

1. Soliciting Advantages

- The Group prohibits the solicitation of any advantage by an employee from clients, contractors, suppliers, government officials or any person in connection with the Group’s business.
- Any facilitating payment is strictly prohibited.

2. Accepting Advantages

Provided that the advantage is not given to influence any business decision or the performance of his or her duties, an employee is permitted to accept the following only:

- Employees are not allowed to accept advantages offered by persons doing business with the Group, even if they do not involve improper treatment, unless General Manager of the Group or above has given prior consent.
- Acceptance of non-cash gifts of whatever value must be declared with a recommendation on how the gifts should be handled. Employees are not allowed to offer or accept any gift, gratuity or entertainment that may be considered to unfairly affect the business relationship. They are also not allowed to accept lavish or frequent entertainment offered by persons having business dealings with the Group if it might be perceived that the employees are placing themselves in a position of obligation to the provider.
- The Group does not allow its staff to accept gifts from clients, suppliers, contractors and other third parties in relation to contracts tendered by the government entities and quasi-government entities.
- Proper customer due diligence and record-keeping measures, policies or procedures should be conducted. Factors including products and services offered, types of customers and geographical locations should be considered.
- Employees should not accept improper payments, kickbacks and other forms of bribery.
- If the employee suspects the acceptance of an advantage could affect the proper discharge of his or her duties or place the employee under an obligation to act against the Group's interests, he or she should always decline to accept the advantage.

3. Offering Advantages

- The Group prohibits the offering of any advantage by an employee to clients, contractors, suppliers, government officials or any person, in connection with the Group's business.
- Offering of gifts should be exercised with caution and in compliance with the Group's guidelines on gifts and hospitality.

4. Conflicts of Interests

- The Group provides a set of guidelines on handling of conflicts of interest, among others, requiring directors and employees to avoid conflicts of interest in carrying out business and declare any conflicts of interest as appropriate.

- Records are maintained when offering or accepting gifts, entertainment, sponsorships, travel and accommodation or other advantages, or when engaging in charitable donations, political activity expenditure or recruitment.

5. Anti-corruption and bribery measures

The Group takes the following measures:

- Investigation for any relationship involving potential conflicts of interest: The Human Resources Department of the Group regularly conducts investigation in relation to conflicts of interest among employees in all sensitive positions of the Group, including procurement staff, outsourcing agents, quality engineers for supplier development, equipment/product inspectors and warehouse workers. When there are potential conflicts of interest between the aforesaid individuals and suppliers or among management officers, the Group should require them to take actions to avoid the conflicts of interest. They should also take the initiative to avoid such conflicts. If there are potential conflicts of interest between supervisors or experts with special skills in key positions and suppliers, their opinions shall be for purpose of reference only. Other collaborative manufacturers may be invited to make judgments in accordance with the actual situation.
- Letter of Guarantee for purchasing and outsourcing personnel and Letter of Commitment for staff: Purchasing and outsourcing personnel are required to sign the Letter of Guarantee. The Administration Department of the Group has drafted such letters for operating personnel for imposing specific restrictions on their behavior in order to mitigate potential corruption risks involved in the industry and respective operation procedures, including compliance with the internal control policy, guidelines of dealing business with suppliers and outsourcing agents, gift governance policy and rules of information release of the Group, and pledge to accept disciplinary actions for any violations. Proper training is also provided for the operating personnel.
- Visiting suppliers and outsourcing agents: The Group designates specific officers to conduct random site visits to the Group's suppliers and outsourcing agents every year in order to know more about the attitudes of suppliers and outsourcing agents towards the Group and their views on staff, and also gives a clear picture of our policy to them.
- Establishing standard operation procedures or policies: For example, the Group establishes the guidelines for handling non-conforming products in order to prevent the formation of special relationships between suppliers and inspectors. We also set up the procurement agreement reviewing procedures to avoid future conflicts with suppliers so as to mitigate the risks of various business disputes, and restrain procurement staff and suppliers from any joint corruptive acts.

- All the directors, the employees of the Group, the external parties having business dealings with the Group and those acting on behalf of the Group shall comply with any applicable anti-corruption policies, laws, rules and regulations. In the event of violating our policy of zero tolerance to corruption and bribery, the Group reserves the right to terminate any business relationship, employment or appointment.

Reporting

Every employee has a duty to report any potential violations of this Policy. If the employee receives an offer of bribery, he or she must immediately report to his or her supervisor. For details of the Whistleblowing Policy, please visit the website of the Company (<http://www.winox.com/eng/ir/wp.pdf>).

In addition, the Group has set up a suggestion box to accept reports from suppliers, employees and other external parties for any violations by the Group's sales personnel. For those breaches involving the senior management of the Group or management personnel in charge of the related business, reporting may be made to the Board of the Directors.

Handling Measures

The Group establishes disciplinary system, in which corruption and bribery that is true after investigation may result in the following disciplinary sanctions according to the severity of the acts:

- Verbal and written warnings, and recording minor, moderate and major demerits.
- Transfers, demotions and termination of contracts.
- Fines, returning monetary benefits, and compensation for losses.
- For serious breaches, may refer to law enforcement agencies to investigate and handle.

Training and Monitoring

The Group regularly conducts internal monitoring to evaluate the mechanism for identifying and assessing risks of corruption and bribery in order to review the control measures and mitigate the related risks, and we also provide proper training for the management and the employees, and teach them how to recognise and deal with these situations.

Reviewing the Policy

The Group will review this Policy from time to time as appropriate, and in any event, once a year, and when necessary to review and make changes to ensure that the relevant policies are timely and effective.