

Shenzhen Investment Holdings Bay Area Development Company Limited

深圳投控灣區發展有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

Code of Conduct

PART 1 – INTRODUCTION

1.1. Personal Conduct of Staff

The Group, being Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited) and its subsidiaries, believes that honesty, integrity and fair play are its important assets in doing business. All levels of staff members of the Group must ensure that the Group's reputation is not tarnished by dishonesty, disloyalty or corruption.

PART 2 – BRIBERY, GIFTS, ENTETAINMENT

2.1 Prevention of Bribery Ordinance

Under the Prevention of Bribery Ordinance ("POBO"), any director or staff who, without the permission of his employer or principal (i.e. any member company of the Group), 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. The term "advantage" is defined in the Ordinance and includes gift, loan, fee, reward, office, employment, contract, service and favour.

2.2 Soliciting Advantages

It is the policy of the Group to prohibit any director or staff to solicit personal benefit or any advantage, in money or in kind from clients, suppliers, contractors, brokers, dealers or any person having business relations with the Group without the prior and specific approval from their employer or principal.

2.3 Acceptance of Advantages

It is the policy of the Group that directors and staff should not accept an advantage for themselves or others from any person, company or organization having business dealings with the Group, except that they may accept the following advantages when offered on a voluntary basis:

- (a) advertising or promotional gifts or souvenirs of a nominal value, i.e. not exceeding HK\$300; or
- (b) gifts given on festive or special occasions, subject to a maximum limit of HK\$1,000 equivalent in 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, i.e. not exceeding HK\$300 presented to them in official functions.

No director or staff should, in his/her private capacity, 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 Group. The staff concerned should report the acceptance of the gifts or souvenirs including but not limited to the abovementioned to the Group within 5 working days and seek direction as how to handle from his or her the Executive Director via Human Resources Department using Form A, namely “Report of Gifts/Advantages Received”. **If staff wishes to accept any advantage not covered above, he/she should also seek permission from his or her or, where appropriate, the General Manager using Form A as attached in Appendix (1).** If the director concerned should report the acceptance of the gifts or souvenirs to the Board of Directors and seek direction as how to handle.

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

2.4 Offering Advantages

Under no circumstances may a director or staff offer bribes or similar considerations to any person or company for the purpose of influencing such person or company in obtaining or retaining business for, or directing business to the Group. Directors and staff are also prohibited from offering advantages to 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 Group’s business.

Any commissions paid or payments made, or favourable terms concerned, or other advantages given by any staff in the conduct of the Group's business shall be in accordance with the Group's prevailing policies on such matters and shall obtain the prior written approval from the General Manager or, where appropriate, the Board of Directors .

2.5 Entertainment

The term “entertainment” is defined in the Section 2 of POBO and 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, directors or staff should eliminate excessive frequency of invitations to meals or entertainment to avoid embarrassment or loss of objectivity when conducting the Group's business. If it is impolite to decline an invitation, a director or staff might accept, on the understanding that he/she will be allowed to reciprocate.

A director or staff should also avoid accepting overly lavish or frequent entertainment from his/her subordinates to avoid placing himself/herself in a position of obligation.

PART 3 – CONFLICTS OF INTEREST

3.1 Declaration of Conflict of Interest

A conflict of interest arises where a person's private interests interfere with the proper discharge of his/her official duties. The Group is committed to conducting its business without conflicts of interest, and requires all directors and staff (permanent or contracted) to avoid any conflicts of interest situation (i.e. situation where their private interest conflicts with the interest of the Group), or the perception of such conflicts. They should not misuse their position or authority in the Group to pursue their own private interests which include both financial or personal interest, and those of their spouse, family members or relatives. When actual or potential conflict of interests arises, the directors or staff should make declaration to the General Manager or, where appropriate, the Board of Directors through the reporting channel using the Form B, namely "Declaration of Conflict of Interest" , which is also attached as Appendix (2) to this Code.

The most common types of conflict of interest situations staff may involve in are:

- having undeclared financial interests in any supplier, contractor or parties that do business with the Group;
- offering assistance to the Group's competitors through taking on part-time employment or "consultancy" service;
- engaged in business activities to manufacture products and/or offer services to compete with the Group;
- carry out other business during office hours and/or utilize asset of the Group;
- giving unduly favourable treatment to particular supplier, contractor, customer, job applicant or subordinate for personal reasons.

A Director or staff of the Group should take it as his/her personal responsibility to avoid engaging in situations that may lead to or involve conflict of interest. He should at all times ensure that his dealings with customers, suppliers, contractors and colleagues do not place him in a position of obligation that may lead to conflict of interest.

3.2 Misuse of Official Position

Directors or staff should act impartially and responsibly and should not give preferential treatment to any individuals or organizations. They should avoid participating in activities that would invite a reasonable person with knowledge of the relevant facts to question their impartiality.

Directors or staff should not use their position within the Group for personal gain or for the benefit of any relatives, friends or other persons. They should not provide assistance, information or advice to relatives or friends in order to give them an unfair advantage over other people in their dealings with the Group. They should not ask or direct any subordinate staff to perform any act or provide any service other than those legitimately required of them in the performance of official duties.

3.3 Use of Proprietary Information

No director or staff may publish or communicate any proprietary information, at any time, with unauthorized persons or to make private copies of documents or information of the company except in cases where he/she has obtained the prior written consent from the Board of Director or, where appropriate, the General Manager, or where such information has been authorized for release to the public by the Group. Such information may relate to all aspects of the Group's operations including investment strategies, sales and marketing plans, new products, financial projections, patent applications, clientele databases, copyrighted materials etc.

It is the responsibility of each director and staff who has access to or in control of the proprietary information to provide adequate safeguards to prevent its abuse or misuse. Examples of misuses include disclosure of information in return for monetary rewards; use of information for personal interest; and disclosure of information to sabotage the Group's interest.

3.4 Outside Employment

Unless obtaining prior written approval from the Board of Director or, where appropriate, the General Manager, directors and staff are not permitted to engage in any employment offered by another organization, company or person directly or indirectly, with or without remuneration of any kind outside of their working hours excluding volunteering work.

PART 4 - RELATIONS WITH SUPPLIERS AND CONTRACTORS

4.1 Gambling

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

4.2 Loans

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

4.3 Fair and Open Competition

The Group promotes fair and open competition and aims at developing and securing long term mutually beneficial relationship with suppliers and contractors based on mutual trust.

4.4 Meeting Public Interest and Accountability Standards

Procurement of supplies and services shall be conducted in a manner of the highest ethical standards which assure a quality end product as well as the continued confidence of customers, suppliers and the public.

4.5 Procurement and Tendering Procedures

The hire of services or the purchase of goods should be based solely upon price, quality and need.

Procurement and tendering activities will be based on the following principles:

- impartial selection of capable and responsible suppliers and contractors;
- maximum use of competition;
- selection of appropriate contract types according to needs;
- compliance with laws, relevant regulations and contractual obligations; and
- strict adoption of an effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractice in the processes of procurement and tendering.

Procurement and tendering procedures implementing this policy will specifically include procedures and practices designed to detect and prevent fraudulent activity.

4.6 Payment Procedures

The Group undertakes to pay the suppliers, contractors and other creditors on time and according to agreed terms of trade.

PART 5 - RELATIONS WITH CUSTOMERS AND CONSUMERS

5.1 Service/Goods to Customers

It is the policy of Group to provide efficient, reliable and high-quality service/goods to our customers so as to strive for continuous customer satisfaction and foster reciprocal relationships with them. The Group keeps the customers informed of the truth about the Group's capabilities and shall avoid misrepresentation, exaggeration and overstatement.

5.2 Tackling with Complaints

In order to provide good customer service and maintain a good company image, complaints should be promptly investigated and replied. Adequate remedial action should be made to redress the situation and also to prevent or minimize their recurrences in the future.

PART 6 – RELATIONS WITH SHAREHOLDERS AND INVESTORS

6.1 Disclosure of Information

As a listed company, the Group provides relevant information to the investment community as stipulated by relevant statutory and regulatory authorities. Directors and staff are required to be familiar and comply with the Group's applicable disclosure controls and procedures, including release of the Group's public reports and documents.

Personal information that the Group collects from its shareholders is only used for legitimate business purposes. Directors and staff should endeavour to protect the privacy and security of such personal information.

6.2 Auditing Control and Practices

The Group should maintain complete and accurate records and accounts. All accounting records and reports shall be kept and presented in compliance with all applicable laws and professional accounting and auditing standards.

The account books of the Group shall, in reasonable and accurate detail, reflect the transactions in and disposition of the Group's assets. Detailed guidelines as to accounting controls and financial reporting are available to the directors and staff concerned. The Group never allows any false, artificial or misleading statements or entries in the Group's accounts, records, documents or financial statements.

6.3 Insider Dealing

The Group will not tolerate the use of unpublished price-sensitive information by directors and staff for securing an advantage for themselves or others. The use of insider information which has not been made to the public for personal gain is illegal and strictly prohibited. Directors and staff who have access to specific information should keep strict confidential and should not release the information to any other individuals.

PART 7 - COMPLIANCE OF THE CODE OF CONDUCT

7.1 Violation of the Code of Conduct

Any director or staff who fails to comply with any of the principles laid down in this Code or who commits breach of rules or official instructions, whether oral or written, and who by his or her action brings the Group into disrepute is liable to disciplinary action including summary dismissal. Anyone initiating or threatening to initiate retaliation against a complainant or informant, will also be subject to disciplinary action including summary dismissal. In case of suspected corruption, a report will be made to the ICAC, and of other criminal offences, to the appropriate authority. It is neither practical nor possible to specify every type of potential act or behaviour expected of all directors and staff or acts that may bring the Group into disrepute. Where the circumstances are not prescribed, it is the responsibility of the staff to judge, in accordance with the principles set out in the Code, how best to act in order to uphold the highest standards. Any enquiries about this Code or reports of possible breaches of this Code should be made to Head of the Human Resources Department.

Appendix

- (1) Form A – Report of Gifts/Advantages Received
- (2) Form B - Declaration of Conflict of Interest

Adopted on 17 August 2012

Revised and approved on 27 August 2018

REPORT OF GIFTS/ADVANTAGES RECEIVED

Part A – Declaration *(To be completed by Receiving Staff)*

To: **General Manager** c/o Human Resources Department

I would like to report the following Gift/Advantages:-

Description of Offeror:

Name & Title of Offeror: _____

Company: _____

Relationship

(e.g. Contractors/Consultants/Suppliers/Tenants/Personal): _____

Date & Occasion on which the Gift/Advantage was/is to be received: _____

Description & (assessed) value of the Gift/Advantage: _____

Declared by _____

(Name of Declaring Staff):

(Co./Dept.):

(Title):

(Date):

Part B – To be completed by Human Resources Department

To: _____ (Name of Receiving Staff)

The recommended method of disposal is: (X) – marked in the following table

<i>Method of Disposal:</i>	<i>Remarks</i>
() Retained by the Receiving Staff	The gift/advantage is retained by _____ (name of receiving staff) on _____ (date).
() Retained for Display/as a Souvenir in the Office	The gift/advantage is placed at _____ (display area) from _____ (date).
() Shared among the Office	The gift/advantage is shared among _____ (name of department) on _____ (date).
() Reserved as Lucky Draw Prize at Staff Function	The gift/advantage is reserved for _____ (name of function) on _____ (date).
() Donated to a Charitable Organization	The gift/advantage is donated to _____ (name of organization) on _____ (date).
() Return to Offeror	The gift/advantage is returned to _____ (name of offeror) on _____ (date).
() Others (please specify):	_____

Recommended by	Approved by	Acknowledged by
_____	_____	_____
(Name):	General Manager	(Name of Declaring Staff):
(Co./Dept.):	(Name):	(Co./Dept.):
(Title):	(Date):	(Title):
(Date):		(Date):

