

## **KEXIM ASIA LIMITED**

### **Code of Conduct**

<b>Enactment</b>	<b>: June 25, 2004</b>
<b>1<sup>st</sup> Amendment</b>	<b>: December 3, 2004</b>
<b>2<sup>nd</sup> Amendment</b>	<b>: November 1, 2019</b>
<b>3<sup>rd</sup> Amendment</b>	<b>: March 30, 2023</b>

## KEXIM ASIA LIMITED

### Code of Conduct

#### 1. Purpose

The purpose of this Code is to encourage proper standards of conduct and sound business practices and to suppress any illegal, dishonorable or improper practices in relation to the business of **KEXIM Asia Limited** (the “**Company**”).

#### 2. Application

All staff of the Company are subject to this Code. Any breach will give rise to disciplinary action and may, where applicable, give rise to criminal prosecution.

Any staff members who have any doubt about the propriety of any course of action or who find that his or her own interests are or may be in conflict with those of the Company should seek the advice of the Code of Conduct Officer. For details of the Code of Conduct Officer, please refer to **Section 4. Code of Conduct officer** of this Code. Any queries regarding the contents of this Code should be directed to the Code of Conduct Officer.

Staff who wish to get any approval regarding the restricted activities specified in this Code should seek the advice of the Code of Conduct Officer and are required to seek permission from the following approving authority prior to or as soon as reasonably possible after accepting any restricted advantage.

Position	Authority
Managing Director	The Board
Other Staff	Managing Director

#### 3. Practice

Profitability of the Company is enhanced by its good reputation to which all staff shall contribute so that they are able to enjoy the quality of the belonged institution. All staff (in particular but not limited to those with lending authority or involved in recommending loans of any kind) shall always look out for circumstances which are susceptible to fraud, forgery or corruption in order to protect the Company and its staff, not just from actual malpractice, but also from allegations of malpractice.

## **4. Code of Conduct officer**

Without other special assignments, the Compliance officer shall represent the Company as the Code of Conduct officer.

The Code of Conduct officer is responsible for:

- (a) Handling queries from staff regarding the contents of the Code and any related matters;
- (b) Reviewing staff declaration of any transaction or activity that may result, or has already resulted, in a conflict of interest;
- (c) Reporting to Managing Director and/or the Board for approval after reviewing staff's requests in this Code; and
- (d) Taking appropriate actions to follow up cases reported by staff, including escalating to Managing Director and/or the Board for any non-compliance cases.

The Code of Conduct Officer has the authority to:

- (a) Require a staff member to refuse the offer of a personal benefit or to return a personal benefit to its donor;
- (b) Require a staff member to give a personal benefit which he has received to a charitable organisation nominated by the staff member and acceptable to the officer; or
- (c) Require a staff member to dispose of a personal benefit which he has received in such manner as the officer may direct.

The Code of Conduct officer should evaluate the information provided by staff members in accordance with the Company's conflicts of interest policy and assess whether any cases need to be further escalated to higher levels of management for their review and action on a timely basis. Factors to be considered may include relationship between the staff member concerned and the related party, whether the conflict poses significant reputational risk to the Company, the nature of personal benefit received by staff members, etc.

## **5. Conflicts of interest**

All staff should avoid situations that may lead to or involve a conflict of interest, actual or potential and, in case of doubt, should seek the advice of the Code of Conduct officer. Staff should make a declaration to the Code of Conduct officer if he becomes aware that he or any of his close family members has performed any role or taken any action that poses risk to the staff member of running into a conflict-of-interest situation with the Company. The declaration should state clearly the relationship between the staff member concerned and the related parties, as well as the circumstances leading to potential conflicts of interest.

Staff should be able to justify the reason why he failed to make such declaration when a conflict of interest is discovered and identified. If there is evidence showing that such omission was done intentionally, recklessly or negligently, then the staff should be made aware that disciplinary action will be taken against him.

## **6. Loans**

All staff with lending authority shall have specified limits commensurate with their rank as laid down in the level of credit approval authority. No member of staff shall grant credit or loans to himself, to members of his immediate family (spouse and children under the age of twenty-one), or to individuals who are “relative” as defined under s.85(4) of the Banking (Exposure Limits) Rules, to or on behalf of any firm, partnership or non-listed company which a person specified above is able to control.

## **7. Borrowings**

No member of staff (or his immediate family) shall make borrowings or receive credit from third parties on an abnormally favored basis unless approved by the relevant authority.

## **8. Conduct when Obtaining Business**

No member of staff shall offer any bribe or similar consideration to any person or company in order to obtain business for the Company. Any commission paid or other payments made, or favorable terms conceded, or other advantages given by any staff member in the conduct of the Company’s business shall be in accordance with the Company’s policies on such matters as notified from time to time and shall be promptly recorded in writing.

## **9. Personal Benefits**

All staff should note the provisions of Section 124 of the Banking Ordinance carefully (as mentioned in Appendix A hereinafter) and Section 9 of the Prevention of Bribery of Ordinance (as mentioned in Appendix B hereinafter), which contain criminal penalties for accepting advantages in prescribed circumstances.

Members of staff should actively discourage customers of the Company from offering personal benefits of all kinds (including every type of gift, favor, service, loan, fee or anything of monetary value).

No member of staff shall solicit, accept or retain personal benefits from any customer of the Company or any individual or organization doing or seeking to do business with the Company.

However, provided that there is no reasonable likelihood of improper influence on the performance by them of their duties on behalf of the Company and that the personal benefit concerned is not accepted in connection with a banking function referred to in Section 124 of the Banking Ordinance, all staff are permitted to accept from customers (but not solicit):

- (a) any normal business entertainment (for example, a meal involving no more than ordinary amenities);
- (b) any gift given on festive occasions under customary practice, subject to a maximum limit of HKD 1,000 in value;
- (c) any personal benefit arising from kinship or marriage; or
- (d) any personal benefit received from a close personal friend, where such friendship is entirely unrelated to the business of the Company, subject to a maximum limit of HKD 2,000 in value.

Where a staff member wishes to accept a personal benefit (which is not a personal benefit referred to in (a), (b), (c) or (d) above), the staff shall, within 3 (three) working days of the personal benefit being offered or presented, send a written report to the Code of Conduct Officer stating:

- (a) the name of the donor;
- (b) a description and an assessment of the value of the gift;
- (c) the business connection (if any) between the donor and the Company;  
and
- (d) the personal relationship between the staff member and the donor.

Staff members will then be advised whether the gift may be accepted or whether it should be returned to the donor or disposed of in some other way.

## **10. Use of Information**

No member of staff shall, during or after termination of, his employment with the Company (except in the proper course of his duties or with the Company's written consent) divulge or make use of any secrets of any correspondence, accounts, connections or dealings of the Company or its customers or of any knowledge gained in relation thereto during their employment. No staff member shall in any way use information so obtained for financial gain.

No member of staff shall release information concerning a customer of the Company to a third party without the customer's consent in writing except in accordance with the Company's trade, credit and information arrangements, or like arrangements for the proper interchange of information between authorized institutions about credit risks, or where is required to do so by law.

## **11. Investments**

No member of staff shall deal (whether directly or indirectly) in the shares of other securities of any company listed on the Stock Exchange of Hong Kong Limited at any time when he is in possession of information, obtained as a result of their employment by, or their connection with, the Company which is not generally available to the shareholders of the Company and to the public and which, if it were so available, would be likely to bring about a material change in the market price of the shares or other securities of the Company concerned. No such information shall be disclosed to any third party.

All members of staff shall immediately notify the Company in writing, the details of any dealings in which they are (whether directly or indirectly) concerned in any such listed company.

It should be noted that, in particular instances, insider dealing might be the subject of inquiries under the Securities Ordinance by the Insider Dealing Tribunal, whose reports are made public and would cover, amongst other things, findings as to whether or not the person or persons under inquiry were culpable in respect of insider dealing.

## **12. Outside Employment**

No member of staff shall take up any directorship or employment of part-time commercial duties (paid or unpaid) outside the Company except with prior written approval. When staff members are offered to take up any directorship or employment of an entity, particularly a commercial entity, outside the Company, they should carefully assess whether accepting these offers would impair their independence and judgement in carrying out the duties at the Company. Staff should refrain from accepting such offers if the additional roles would undermine their time commitment to the business of the Company or give rise to potential conflicts of interest.

Approval will be given to take up other employment or part-time commercial duties only in circumstances where the interests of the Company will not be prejudiced.

## **13. Record and Reporting**

The Code of Conduct officer should maintain a written record (either in electronic or physical format) of all personal benefits received by staff that they have been permitted to retain. The Code of Conduct officer should also maintain a record of the declarations submitted by staff relating to conflicts of interest and private investments.

Staff should report promptly to the Code of Conduct Officer as required in this Code once he becomes aware that he is in breach of the Code or when he is in doubt of a potential breach. Staff should also be encouraged to report unethical or questionable practices, even if they are not illegal.

Once the Company has become aware of an incident assessed to potentially have a significant impact on its business, customers or reputation (e.g. matters which could give rise to illegal activities, or misconduct incidents under internal investigation that may adversely impact the Company's reputation), the Company should notify the HKMA immediately and provide it with whatever information is available at the time. Depending on the nature of such incident, the Company should also report the matters to other relevant regulatory (e.g. the Securities and Futures Commission) or law enforcement authorities as soon as practicable.

#### **14. Regular Review**

This Code should be reviewed at least annually. Any update or amendment should be approved by the Board of Directors and informed to HKMA if necessary.

## **Appendix A**

### **Section 124 of Banking Ordinance**

#### **Prohibition on Receipt of Commission by Staff**

Any director or employee of an authorized institution, who asks for or receives, consents or agrees or receive any gift, commission, emolument, service, gratuity, money, property or thing of value for his own personal benefit or advantage or for that of any of his relatives, for procuring or endeavoring to procure for any person any advance, loan, financial guarantee or credit facility from that institution or the purchase or discount of any draft, note, cheque, bill of exchange or other obligation by that institution, or for permitting any person to overdraw any account with that institution, commits an offence and is liable:

- (a) on conviction upon indictment to a fine of HK\$200,000 and to imprisonment for 5 (five) years; or
- (b) on summary conviction to a fine of HK\$100,000 and to imprisonment for 2 (two) years.

## Appendix B

### Section 9. Prevention Bribery Ordinance

#### Corrupt Transactions with Agents

- (1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantages as an inducement to or reward for or otherwise on account of his:
  - (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
  - (b) showing or forbearing to show or having shown or forborne to show, favor or disfavor to any person in relation to his principal's affairs or business shall be guilty of an offence.
- (2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's:
  - (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
  - (b) showing or forbearing to show, or having shown or forborne to show, favor or disfavor to any person in relation to his principal's affairs or business shall be guilty of an offence.
- (3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document:
  - (a) in respect of which the principal is interested;
  - (b) which contains any statement which is false, erroneous or defective in any material particular; and
  - (c) which to his knowledge is intended to mislead the principal, shall be guilty of an offence.
- (4) If an agent solicits or accepts an advantage with the permission of his principal, being permission, which complies with Subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under Subsection (1) or (2).
- (5) For the purposes of Subsection (4) permission shall:
  - (a) be given before the advantage is offered, solicited or accepted;
  - (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance; and for such permission to be effective for the purposes of Subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.