

Differ Group Auto Limited

Anti-Corruption Policy

This Anti-Corruption Policy (the “Policy”) is approved by the Board on 9th December 2021.

The policy applies to the Differ Group Auto Limited (“the Company” or “we”) and its subsidiaries (collectively, the “Group”) and the members of the Group.

Differ Group Auto Limited (“we” or “our company”) is principally engaged in the (i) asset management business (including (a) property development and investment and (b) distressed assets, equities investment and fund management); (ii) provision of financial related services (including financial lease services, express loan services, consultancy services, guarantee services and the security brokerage services); (iii) commodity trading business; and (iv) online automobile e-commerce business.

As a listed issuer in Hong Kong Stock Exchange, we adopt a zero-tolerance policy against all forms of corruption. We are obligated to comply with the highest standard and practice to fight corruptions, including the compliance with the following laws, regulations and guidelines:

1. The Prevention of Bribery Ordinance (Cap 201)
2. Environmental, Social and Governance Reporting Guide issued by HKEx
3. Corporate Governance Code and Corporate Governance Report issued by HKEx
4. Applicable Anti-Corruption Laws in place of our operations

This Anti-Corruption Policy is developed based on the spirit of underlying laws relating to anti-corruptions and in the key principles of conducting an honest business in a fairly manner as to maintain a fair and just society and community. This policy should be read and followed together with relevant section set out in our other policy, such as Code of Conduct.

It is our policy to conduct our work in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. Any of our directors and employee who breaches this policy will face disciplinary action, which could result in dismissal or legal actions for gross misconduct. Any of our suppliers, service providers, agents or representatives (including their senior management and authorized representatives) who breaches this policy (or we have reasonable suspicion on that) may lead to termination of related contracts with immediate effect.

The Company adopts all the principles and spirit set out in the applicable laws and regulation and, in practice, decides to follow the suggestions listed out in the “Anti-Corruption Programme - A Guide for Listed Companies” issued by ICAC. Specifically, we prohibit the following act or intention to act:

1. soliciting or accepting any advantage from others as a reward for or inducement to doing any act in relation to the company's business;
2. offering any advantage to an agent of another as a reward for or inducement to doing any act in relation to the latter's principal's business; and
3. offering any advantage to any government or public servant as a reward for or inducement to performing any act in his official capacity, or while having business dealing with the government department or public body he/she belongs to.
4. directors and staff from soliciting or accepting advantages from persons having business dealing with them (e.g. suppliers, contractors), except, where considered acceptable and necessary, courtesy/token gifts of appropriate/nominal values under specified circumstances or occasions; and where acceptance of gifts/advantages may be allowed, set out in writing the circumstances/occasions (e.g. during festive seasons where business gifts are traditionally exchanged) and restrictions for acceptance of advantages (e.g. allowable limit of value of the gift, cash not allowed, acceptance of gifts from suppliers/contractors prohibited), and the channel for special approval in exceptional cases;
5. the offering of advantages to directors/staff of other companies having business dealing with them (e.g. buyers), except, where considered necessary, courtesy/token gifts of appropriate/nominal values under specified circumstances or occasions; and where offering of gifts/advantages to business contacts is considered necessary, set out the allowable circumstances/occasions (e.g. during festive seasons where business gifts are traditionally exchanged) and restrictions (e.g. allowable limit of value of the gift, cash not allowed), and require it be ascertained that the recipient is allowed by his principal to accept the gift/ advantage before offering.

We also advising our directors and employees to avoid accepting/offering entertainment that may be regarded as:

1. excessive – taking into account its value, substance, frequency and nature;
2. inappropriate – taking into account the relationship between the staff member and the offeror (e.g. whether they have any direct official dealings such as suppliers, contractors, borrowers, buyers); or
3. undesirable – taking into account the character or reputation of the host or other attendees;

In situation of Conflict of Interest, our directors and staff should take a five-step approach as below:

1. Avoid – The fundamental rule is to avoid any conflict of interest that may arise when performing official duty as far as practicable;
2. Declare – If a conflict of interest has arisen and cannot be avoided, a member should declare the conflict to his supervisor or the designated person • in accordance with the company's policy, and document the declaration made;
3. Resolve – Upon receiving a declaration, appropriate action should be taken to resolve the conflict;
4. Exercise duty in a fair and impartial manner - If a member is allowed to continue to perform the duty, he/she should be reminded to exercise his duty in a fair and impartial manner;

5. Supervise - If the member concerned is allowed to continue to perform the duty, closer supervision should be exercised to ensure proper performance.

For the avoidance of doubts, any gifts or benefits in exceed of HKD1,000, offered or accepted in a single event or in a series of events, even in a manner or for a purpose not violating the above stated principles and prohibited acts, must be reported and approved by the Executive Director(s) of the Board in reasonable timeframe.

Should our directors, employees, customers, suppliers or any stakeholder have any concerns about illegal or improper conduct, please contact our responsible person at whistleblower@dfh.cn.