



澳門博彩控股有限公司  
**SJM HOLDINGS LIMITED**

incorporated in Hong Kong with limited liability Stock Code : 880

## **ANTI-FRAUD AND COUNTER-CORRUPTION POLICY**

**(Adopted by the Board on 28 February 2022  
and amended on 8 March 2023)**

## Introduction

SJM Holdings Limited (the “**Company**”) is committed to protecting its reputation, revenues, assets and information from any attempt of fraud, corruption and bribery, deceit or related improper conduct by employees or third parties.

This Anti-Fraud and Counter-Corruption Policy (the “**Policy**”) is to outline the Company’s expectations and requirements relating to the prevention, detection, reporting and investigation of any suspected fraud, corruption and bribery, and any other similar irregularities.

The Policy is an integral part of the Company’s corporate governance framework. It supplements other relevant corporate policies including “Whistleblowing Policy”<sup>1</sup>, “Arrangement for Employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters”<sup>2</sup> and “Code of Conduct”<sup>3</sup>.

## Scope of Application

The Policy applies to the Company and its subsidiaries, collectively referred to as the “Group”. All of our employees, business partners including joint venture partners, associated companies, contractors and suppliers are encouraged to abide by the requirements of the Policy.

## Definition

The term “fraud” generally refers to unfair or unlawful conduct with the intention of making some form of personal gain, or making another person suffer a loss including but not limited to, conspiracy, misappropriation, theft, money laundering, collusion, bribery, extortion and corruption.

Where the term “corruption” is made reference to the terminology used by the Hong Kong Independent Commission Against Corruption (“**ICAC**”): “An individual abuses his authority for personal gain at the expense of other people. It erodes fairness and the rule of law, and in some cases, puts lives and property at risk.”

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<sup>1</sup> Whistleblowing Policy (adopted by the Board on 28 February 2022)

<sup>2</sup> Arrangement for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters (approved by the Board on 29 February 2012 and amended on 28 February 2022)

<sup>3</sup> Code of Conduct (approved by the Board on 15 November 2012)

Examples of general types of fraudulent or corrupt activity that may compromise the Company's interest including, but not limited to:

- Misrepresentation in the Group's publicly released financial statements or other public disclosures;
- Misappropriation, skimming or theft of the Group's assets such as cash, inventory, equipment, supplies, etc.;
- Unlawfully obtained revenue and assets, or unlawful avoidance of costs and expenses;
- Commercial bribery or bribery of a government official (including facilitation payment) or other violation of anti-corruption laws;
- Improper payment schemes such as the employees of the Group seeking or accepting from, paying or offering to, suppliers or business partners, kickbacks or gifts intended to or which may appear to influence business judgment; or
- Fraudulent disbursement or reimbursement such as payment for fictitious or inflated invoice, expenses, payroll, etc.

## **General Policy**

- The Group has zero tolerance towards fraud and corruption.
- The Policy is communicated to all levels of employees and stakeholders. Suitable and relevant anti-fraud and counter-corruption training will be provided to all employees.
- All employees should fully comply with the principles in the Policy, other relevant corporate policies and procedures, and internal controls requirements.
- Control activities are designed and adapted to mitigate fraud risks. If necessary, independent risk based audits are conducted to monitor the effectiveness of these controls.
- The Group will conduct periodic fraud risk assessment.

## **Reporting and Responsibility**

- All employees of the Group should familiarize themselves and comply with the Code of Conduct (which stipulates the general principles of the Prevention of Bribery Ordinance) and all other risk management and internal control policies and guidelines.
- All employees of the Group are responsible for resisting fraud and helping the Company defend against corrupt practices.
- The Group shall maintain effective reporting channels for the employees and stakeholders to report any suspicions of fraud, all employees and stakeholders are expected and encouraged to report immediately any suspected cases of fraud and related misconduct via various reporting channels below.

- Suspected cases of fraud should be reported promptly, irrespective of whether it is known who may be responsible for the fraud or how it may have occurred. They should be reported to one's direct supervisor, team leader or unit manager or directly to the Investigation Officers (as defined below) via the whistleblowing channel confidentially if one feels appropriate (refer to the Company's *Whistleblowing Policy* for the Reporting Form and mailing address for reporting).
- Summary of investigated fraud cases by Internal Audit ("**SJM-IA**") of SJM Resorts, S.A. ("**SJM**") will be reported to the Audit Committee on regular basis.

**"Investigation Officer":**

- for Employees related matters in Macau means Chief Corporate Affairs Officer of SJM, and for Employees related matters in Hong Kong means Director – Human Resources and Administration of the Company;
- for financial reporting, internal control or any other matters except (a) above as well as (c) and (d) below, means the Head of SJM-IA;
- for any matter directly relating to the Officers (including but not limited to Chief Corporate Affairs Officer of SJM, Director – Human Resources and Administration of the Company or the Head of SJM-IA), means the Chief Executive Officer of the Company; and
- for any matter directly relating to the Directors or Chief Executive Officer of the Company, means Chairman of the Board and Audit Committee Chairman.

## **Fraud Response**

- All reported fraud cases to Investigation Officers will be treated seriously and investigations will be performed with the approach as stipulated in the *Whistleblowing Policy*.
- The Group will make every effort to treat all disclosures in a confidential and sensitive manner after an employee or a relevant party reports concern about any of the above matters. The identity of the individual employee or relevant party making genuine and appropriate allegation under this Policy is assured of fair treatment. In addition, employees are also assured of protection against unfair treatment, dismissal, victimisation or unwarranted disciplinary action.
- If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, legal professional advice may be sought and the matter may be reported by the Group to the relevant local authorities. In such case, the investigation will be taken over by the local authorities.

- Anyone found committing fraud or corruption will be subject to disciplinary action which may include dismissal.
- Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Group. If a reported irregularity leads to an investigation, the party responsible for leading the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken in accordance with the Company's Policy (or whatever other period may be specified by any relevant legislation).

## **Review of the Policy**

The Audit Committee has overall responsibility for implementation, monitoring and periodic review of this Policy. The Audit Committee has delegated the day-to-day responsibility for administration of the Policy to SJM-IA.

The review of this Policy shall be conducted every year or more frequently as needed.

*(The English text of this document shall prevail over the Chinese text in case of any inconsistency.)*