CK Asset Holdings Limited

Competition Compliance Policy

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1 Purpose and Scope

1.1 CK Asset Holdings Limited (the "**Company**") and all its subsidiaries (together the "**Group**") is committed to upholding high standards of business integrity, and to ensure compliance with competition laws in all its business dealings and conduct. It is the Group's policy that all employees of the Group shall comply fully with the competition laws of every country, state and locality where the Group does business.

1.2 The aim of this Policy is to provide the companies and employees of the Group with a framework to ensure compliance with the applicable legislation in countries where the Group operates, but also to develop a consistent approach so that, wherever the Group operates, employees apply business practices in line with our global reputation and standards.

1.3 This Policy summarizes the principle requirements under the competition laws that apply in countries where the Group operates, but the law may be more or less restrictive in a particular country. It is your responsibility to understand and comply with the requirements of this Policy and the laws where you are conducting the Group's business.

1.4 This Policy is no substitute for specific legal advice, nor does it provide definitive answers to all competition law questions in relation to a particular situation. Employees should contact the Legal Department of the Company in the first instance at Hong Kong Office if there is any doubt about how this Policy might apply to a particular situation or about compliance of this Policy.

1.5 Failure to comply with competition laws can result in severe fines of up to 10% of annual turnover (depending on the jurisdiction), damages payments and reputational damage to the Group. In addition to the financial cost, arrangements and agreements which infringe competition law may be void and unenforceable. Responsible individuals of the Group may be subject to personal liabilities such as fines and disqualification from being a director of a company but in some countries (such as the UK), breach of competition law may even result in criminal penalties (including imprisonment).

1.6 The Group will continue to implement accompanying policies and guidelines as part of its competition laws compliance programme. This Policy together with such accompanying policies and guidelines may be amended from time to time, as appropriate.

2 Governance Principles

2.1 The Group is committed to complying with competition laws in all the markets in which we operate. Compliance with competition laws does not prevent the Group from competing aggressively, but we have to act within the bounds of the competition rules.

2.2 Competition laws throughout the world prohibit agreements among existing or potential competitors that harm competition. The key to compliance is independence. Each company within the Group must act independently in all its business activities and

decisions, including but not limited to, setting prices, discounts, promotions and terms of purchase and sale; selecting business counterparties; and choosing the products and services to produce and how much to sell or to supply.

2.3 The Group will, and is expected to, promote competition law compliance; establish organisational protocols to prevent, identify, escalate and resolve competition law issues; and ensure employees attend all relevant training sessions on competition laws.

2.4 Employees must seek timely advice from the Legal Department or to seek relevant legal advice as needed if they have any questions or concerns relating to this Policy or competition law or if they are in any doubt about whether or not any restrictions under this Policy or the law may apply. The best way to avoid problems is to understand the basic rules and to seek advice where appropriate.

2.5 All employees of the Group are required to adhere to this Policy and applicable guidelines adopted by the Company and the relevant subsidiary company in the Group from time to time. All employees, directors and others acting on behalf of the Group must comply with competition laws. The Group does not authorise or condone any conduct that could give rise to any infringements of competition laws or create the appearance of impropriety.

2.6 Employees of the Group in management positions are accountable not only for their own conduct but also for the conduct of their subordinates. Each manager is expected to inform his respective subordinates about this Policy and the applicable policies and guidelines adopted by the relevant company of the Group, to ensure that all relevant employees have proper understanding of and access to training and advice regarding these policies and guidelines.

2.7 Appropriate action will be taken against employees who breach any competition laws or requirements under this Policy (including disciplinary action that could ultimately result in termination of employment). The Group seeks to foster a climate where employees know that they will be supported if they report suspicious or questionable activity. Any such reports will be treated confidentially (except as may be otherwise required by law or used for the purpose of this Policy) and employees raising legitimate concerns in good faith will be protected.

3 Policies, Training and Regular Review

3.1 Companies of the Group operating in different countries are required to educate and train their employees and ensure compliance with this Policy and the respective competition laws applicable to their business in those countries as well as the particular competition risks faced by their business.

3.2 Each such company is required to conduct a regular review of its business models and practices against the applicable competition laws so as to identify the potential risk areas and competition laws issues. Competition law compliance policies and measures applicable to their business in the countries concerned should be updated (and tailored) as required.

3.3 Competition compliance training should be arranged periodically to remind colleagues of their obligations and help identify potential risk areas.

4 Overview of Competition Laws

4.1 Competition law generally is based on three key pillars:

(a) Prohibition of anti-competitive agreements. This includes: (i) agreements between competitors (i.e. horizontal agreements) and (ii) agreements with other counterparties (i.e. people we do business with), such as (1) customers and purchasers; (2) business partners (e.g. clients and contractors) and (3) other service providers (such as suppliers, distributors, consultants and advisors) (i.e. vertical agreements).

(b) Prohibition of abuse of substantial market power. Substantial market power or dominance, in and of itself, is not prohibited, but unilateral conduct which amounts to an abuse is.

(c) Merger control, i.e. the assessment of acquisitions and joint ventures to prevent the creation of dominant positions or the substantial lessening of competition.

4.2 This Policy focuses on the first two areas and does not address merger control. However, any acquisitions, disposals or joint ventures should be referred to the Legal Department.

4.3 There are certain key underlying competition law principles:

(a) For the competition rules of a particular jurisdiction to apply, it is irrelevant where the companies involved are located. What matters is whether the agreement may have an object or effect of harming competition in that jurisdiction. It may therefore apply to agreements or conducts occur extraterritorial.

(b) It is irrelevant what form the agreement takes. For competition law purposes, the term "agreement" has a very broad meaning and includes all kinds of collusive arrangements and understandings between the parties involved. Competition law does not require a formal, written agreement. An informal verbal agreement or even a tacit understanding (a "nod and a wink") is sufficient. "Concerted practices", covering different forms of practical coordination between competitors that fall short of an agreement (e.g. disclosing price reduction plan and details in the following month to a competitor) will also be caught by competition law.

(c) An agreement will be breaching the competition rules if there is an anti-competitive intent. However, even if an agreement does not have an anti-competitive intent, it may contravene the competition rules if it has the effect of preventing, restricting or distorting competition.

4.4 Set out below are some clear and simple rules to promote compliance with competition laws in relation to dealings with competitors and other counterparties. It is incumbent on

each company within the Group operating in different jurisdictions, however, to tailor their competition training and compliance programme to meet the legal requirements applicable to the markets in which they operate, and the particular competition risks faced by their operation in those jurisdictions.

5 Agreements with Competitors (i.e. horizontal agreements)

5.1 Contacts with competitors pose the greatest competition risk since almost any commercially sensitive information exchange with competitors, even on informal occasions, has the potential to have an anti-competitive effect. Any agreement with competitors (often referred to as "*cartels*"), *whether directly or indirectly through a third party*, that affects prices, divides up the market, restricts output or rigs bids is strictly prohibited. The above list is non-exhaustive and special attention should be paid on whether such agreements have any anti-competitive object or effect.

5.2 The general principles below should be followed in connection with any dealings with competitors.

Prices and conditions of supply

5.3 It is essential that all companies within the Group should make business decisions about pricing and sales independently, and without any coordination with competitors. An agreement with competitors to fix prices or coordinate any element of pricing behavior is prohibited. This includes not only the setting of specific prices but also any agreement on pricing policy (e.g. discounts, promotions, rebates, margins, costs, pricing formula, method of price calculation, when to change prices, etc.).

Market sharing

5.4 Any agreement with competitors to share or allocate markets is prohibited. Specifically, competitors must not share or divide up the market in respect of geographic territories, types of goods to be sold and services to be offered, customers and supply sources.

Output restrictions

5.5 Any agreement with competitors to stop, limit or reduce the supply of goods or services (e.g. limits on production or capacity) is prohibited. Competitors should individually determine their own production and capacity levels.

Bid rigging

5.6 Agreements between competitors regarding prices or terms and conditions to be submitted in response to a bid request are generally prohibited. This includes agreeing not to or taking turns to bid.

Exchange of information

5.7 Any exchange of commercially sensitive information with a competitor may be illegal and so you must not exchange information with a competitor which is commercially sensitive. As a rule of thumb, do not share anything you would not want your competitors to know if you want to compete against them as vigorously as possible.

5.8 Generally, information is commercially sensitive if it is not publicly available and helps reduce the commercial or strategic uncertainty of competitors in the market.

5.9 Commercially sensitive information includes information relating to price, elements of price (e.g. discounts, promotions, rebates, margins, surcharges, commissions) or price strategies, our terms with business counterparties, production costs, quantities, stock levels, turnover, sales, capacity, product quality, marketing plans, product launches, risks, investments, technologies and innovations.

5.10 Remember, exchange of commercially sensitive information can be achieved directly with competitors or through indirect means via a third party (with the intention that the information is passed onto competitors): both are prohibited. The setting or manner of the information exchange is irrelevant. Even if commercially sensitive information is shared via text messages, verbally, or at social events, it will be deemed illegal.

Other agreements with competitors

5.11 There may be situations where our business will want to enter into an agreement with a competitor which may produce useful efficiencies, such as joint bidding, joint buying, joint sale and marketing, joint research and/or development, etc. You must consult the Legal Department or seek legal advice as needed before entering into such agreements.

6 Agreements with Other Counterparties (i.e. vertical agreements)

6.1 Unlike agreements with competitors, agreements with other counterparties are normally necessary and appropriate in the course of day-to-day business.

6.2 Vertical agreements between counterparties, however, which have the object or effect of preventing, restricting or distorting competition, are prohibited under competition law.

6.3 This area of law is rather more complex than anti-competitive horizontal agreements between competitors. What you can and cannot agree with your (1) customers and purchasers; (2) business partners (e.g. clients and contractors) and (3) other service providers (such as suppliers, distributors, consultants and advisors) depends on numerous factors and the jurisdiction you are operating in. The rules set out in this section need to be observed when dealing with all such counterparties.

Vertical price restriction

6.4 As a general rule, suppliers are not allowed to impose a minimum re-selling price which distributors must charge the ultimate buyers. Such arrangements undermine the distributors' pricing freedom and restrict competition. Suppliers may recommend prices, but must not impose, or threaten penalties or retaliations for not sticking to the recommended price.

Exclusivity arrangements

6.5 When entering into an exclusive arrangement with a business counterparty (i) to buy goods, or to obtain services, exclusively from one source, or (ii) to supply goods or services exclusively to one distributor (exclusive distribution, purchase, franchise or license agreements), other competitors may be excluded from competing in the market. Exclusivity may therefore be construed as having the effect of restricting competition on the relevant market. Prior to entering into an exclusive agreement (e.g. to buy, sell or limit territory) you should consult your supervisor and seek legal advice as needed from the Legal Department. Exclusive agreements of a long duration (in general 3 years or more but to be determined based on local rules and subject to a case by case analysis) require close consideration, particularly when one of the parties has a high market share (e.g. 25% or more).

Exchange of information

6.6 Companies need to exchange commercially sensitive information with their business counterparties in order to conduct legitimate day-to-day business. However, in transmitting commercially sensitive information, there may be a risk that the information is used for anti-competitive purposes by the recipient.

6.7 In supplying commercially sensitive information to a business counterparty, there must be a clear statement that information is given on a confidential basis and must not be shared with any of your competitors or for anti-competitive purpose.

7 Abuse of Substantial Market Power

7.1 Sections 5 and 6 cover bilateral conduct (i.e. conduct between two or more parties). This section covers unilateral conduct (i.e. conduct of one single company).

7.2 When a business has substantial market power in a relevant market, special rules apply to ensure that it does not abuse its market power. There is no ban on being successful and having a large market share, but if the market power of a company is "substantial" there are restrictions on certain conduct which could harm competition. This section explains what substantial market power in a relevant market is, and provides a non-exhaustive list of the types of conduct which could constitute abuse.

What is a relevant market?

7.3 A relevant market has a product or service dimension as well as a geographical dimension. A company may have substantial market power in one relevant market but not the other, thus it is essential to, on a case-by-case basis, first identify the relevant market that a company operates in before analyzing the company's market power, in order to determine whether that company has substantial market power in that relevant market.

What is substantial market power?

7.4 The general principle is that a company has substantial market power if it enjoys a position of economic strength which allows it to affect competition on the relevant market by having the power to behave (to an appreciable extent) independently of its competitors, suppliers, customers and consumers.

7.5 One useful indication of market power is market share. However, other factors (e.g. dynamics of the market, constraints on the company, power to make pricing and other decisions, entry barriers) are also considered.

7.6 The assessment of substantial market power is complex and varies from jurisdiction to jurisdiction, and should be reviewed on a case-by-case basis. In countries where the Group or companies in the Group have a strong market share, you should check with the Legal Department or seek local legal advice as needed to ensure that certain contemplated actions would not be considered as an abuse of substantial market power in the relevant market.

7.7 Examples of conducts that could be considered as abuse of substantial market power include but not limited to the following:-

(a) Exclusivity arrangements which effectively block other players in the market from access to the same product or service;

(b) Conditional rebates and discounts structured in a way (e.g. loyalty rebates) so as to exclude other rival suppliers from competing on the market;

(c) Tying and bundling of distinct products and services to the effect of harming competitors in the market(s). Companies with substantial market power on a distinct product or service should avoid combining the sale of such product or service with other unrelated product or service;

(d) Refusal to deal with actual and potential business counterparties, without any objective justification;

(e) Predatory pricing which means selling products below cost with the aim of seeking to exclude competitors from the market or to deter new entry; and

(f) Discrimination in prices or other business conditions, for example, to enforce different prices or other business conditions upon different business counterparties in similar situations without objective grounds.

8 Trade Associations

8.1 The Company and its subsidiaries are members of various trade or industry associations that enable companies of the relevant sector to promote common objectives in the best interest of their stakeholders.

8.2 Since these associations bring competitors together, there is a risk that decisions or discussions at association meetings could be used as a "cover" for prohibited activities, or otherwise lead to anti-competitive outcomes. The fact that such discussions take place at

an association meeting, or are encouraged by the association, is no defence. Accordingly, participation in such associations or meetings must be monitored carefully.

8.3 Subjects which may be considered lawful for discussion at trade association meetings include:

(a) introduction of new regulations pertaining to the relevant industry;

(b) lobbying efforts on industry-wide issues e.g. environmental protection or work safety; and

(c) overall market trends.

What to do if in doubt

8.4 In the event that a meeting or discussion you are attending takes a turn you are uncomfortable with, or you receive confidential commercially sensitive information from a competitor, you must actively distance yourself. You must:

(a) Stop the discussion.

(b) Make your objections known.

(c) Disregard the inappropriate information received, do not copy or forward it onwards.

(d) If the discussion continues, leave and keep a clear record of the discussion and note of when you left or your rejection.

(e) Inform the Legal Department and/or your supervisor. It may be necessary to send a follow-up response to the incident.

8.5 In many jurisdictions, it is not a defence if you did not actively participate in or act on the anti-competitive discussions. Companies have in the past been found to have infringed competition law and fined as they did not actively object to or distance themselves from the discussions. It is therefore important that if such discussions do occur, you stop the discussion, object, leave, inform the Legal Department and/or your supervisor, disregard the information received and ensure that you have kept a written record of the incident.

9 Dealing with Enquiries

9.1 If you receive any enquiry (such as telephone enquiry or letter enquiry) from a competition authority, it should be referred to the Legal Department immediately and/or to seek local legal advice as needed. Any further contact with the competition authority should be established only through the Legal Department or the local legal advisor appointed.

Document and records

9.2 In addition to other applicable records keeping requirements, you must not destroy any documents or records in connection with competition issues because you think they contain damaging information. This will damage the Group's standing with the competition authorities if it comes to light in an investigation, and can lead to criminal penalties.

9.3 Moreover, if you are notified that the Company or any of its subsidiaries is under investigation by the competition authorities, all information and documents (including those which are otherwise subject to erasure or destruction in the ordinary internal process) must be retained and should not be erased or destroyed until further notice.

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