

## **Extract of Anti-Money Laundering (“AML”) and Counter-Terrorist Financing (“CTF”) Policy**

Sun Hung Kai & Co. Limited and its subsidiaries (the “**Group**”) are committed to the prevention and detection of money laundering and terrorist financing.

This AML and CTF Policy (the “**Policy**”) applies to all employees or other staff of SHK, including directors, contract staff, staff under secondment, temporary staff, officers, agents and licensed persons accredited to any Securities and Futures Commission licensed subsidiaries of SHK (“**SHK Staff**”). These requirements are mandatory for all SHK Staff to observe. Each business unit of SHK must develop and implement procedures, processes or controls to ensure compliance with standards no less stringent than what is set forth in this Policy.

The purpose of this Policy is to provide a framework to protect the Group Staff from being used for the purpose of or involvement in money laundering, terrorist financing and other criminal activities.

Money laundering can be a diverse and complex process. It usually involves numerous transactions and the following stages:

- (a) Placement – the physical disposal of cash proceeds derived from illegal activities;
- (b) Layering – separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the source of the money, subvert the audit trail and provide anonymity; and
- (c) Integration – creating the impression of apparent legitimacy to criminally derived wealth. In situations where the layering process succeeds, integration schemes effectively return the laundered proceeds back into the general financial system and the proceeds appear to be the result of, or connected to, legitimate business activities.

It is Group’s policy to comply with all applicable AML and CTF laws, rules, regulations and supervisory guidance relevant to the business it conducts and to cooperate with law enforcement authorities in any investigation of money laundering, terrorist financing or other criminal activities.

Whilst SHK Senior Management is responsible for the oversight of the business’s compliance with this Policy, and for ensuring that the AML / CTF systems are effectively implemented, the Policy provides that each SHK Staff has a duty to protect the Group from these criminal activities. This duty involves identification of, and reporting of, unusual or potentially suspicious transaction activities through the normal course of executing SHK Staff’s day to day responsibilities. All AML/CTF records must be stored in a manner that is reasonably practical to retrieve and must be retained for a period as required by applicable laws and regulations.

*(This is an extract of the Policy and if there is any inconsistency and ambiguity between the English version and the Chinese version, the English version shall prevail.)*