



NWS Holdings Limited

(新創建集團有限公司*)

(Incorporated in Bermuda with limited liability)

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

(Adopted on 23 Jun 2020)

* For identification purposes only

Introduction

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

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

This Policy is an integral part of the Company’s corporate governance framework. It supplements other relevant corporate policies of the Company including *Whistleblowing Policy*, *Guidelines on Risk Management & Internal Control Systems* and *Code of Conduct*.

Scope of Application

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

Where the term “corruption” as referred to the definition from 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.”

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

- misrepresentation in the Company’s publicly released financial statements or other public disclosures;

- misappropriation, skimming or theft of the Company'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 Company 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; and
- fraudulent disbursement or reimbursement such as payment for fictitious or inflated invoice, expenses, payroll, etc.

General Policy

- NWS has zero tolerance towards fraud and corruption.
- this 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 this Policy, other relevant corporate policies and procedures, and internal controls requirements.
- control activities are designed and adapted to mitigate fraud risks. Independent risk based audits are conducted to monitor the effectiveness of these controls.
- the Company will conduct periodic fraud risk assessment.

Reporting and Responsibility

- all employees of the Group should familiarize themselves with and comply with the Code of Conduct (which stipulates the general principles of the Prevention of Bribery Ordinance), Corporate Policy on Staff Responsibility and all other risk management and internal control policies and guidelines.
- all employees of the Group are responsible for resisting fraud and helping the Group defend against corrupt practices.
- the Company shall maintain effective reporting channels for its 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, 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 Group Audit & Risk

Assurance Department (“GARA”) via the whistleblowing channel confidentially if one feels appropriate (please refer to the Company’s *Whistleblowing Policy* for the Reporting Form, confidential email and mailing address for reporting).

- summary of investigated fraud cases will be reported to the Audit Committee semi-annually.

Fraud Response

- all reported fraud cases to GARA will be treated seriously and investigations will be performed with the approach as stipulated in the *Whistleblowing Policy*.
- the Company 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 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 GARA.

The review of this Policy shall be conducted every two years or more frequently as needed. Where there are any discrepancies or differences of interpretation in the Policy between English text and Chinese translation, the English version shall prevail. If there are any questions about the contents or application of this Policy, please email GARA at gara@nws.com.hk.

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References

1. [Whistleblowing Policy](#) – NWS
2. Code of Conduct – NWS
3. Corporate Policy on Staff Responsibility – NWS
4. Guidelines on Risk Management & Internal Control Systems – NWS
5. [Anti-Fraud Policy](#) – NWD
6. [Anti-Corruption Programme – A Guide for Listed Companies](#) – Corruption Prevention Advisory Service, ICAC
7. [The Ten Principles of the UN Global Compact](#) – UNGC