



**KECK SENG
INVESTMENTS
(HONG KONG) LIMITED**

POLICY & PROCEDURES

Anti-Fraud

Review Date: -	Issue Date: 30 August 2022	Supersedes Policy Dated: -
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1. Introduction

- 1.1. Keck Seng Investments (Hong Kong) Limited (“the Group”) is governed by the Prevention of Bribery Ordinance and any anti-bribery laws, which include zero tolerance towards corruption and related malpractice.
- 1.2. The Group is committed to preventing, detecting and reporting any, or suspected, fraud, irregularity, misconduct, or malpractice in order to maintain good corporate governance.
- 1.3. It is the intent of the Group to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls to protect the assets of the Group and conduct of investigations when fraud is committed against the Group.
- 1.4. Integrity is the Group’s core value. As such, this policy aims to promote an ethical culture, facilitate continuous control enhancement to detect and prevent fraud, and to foster consistent organisational behaviour. Key integrity and conduct requirements for employees are included in the Code of Conduct of the Employee Handbook.

2. Purpose

The purpose of this policy is to ensure that any fraud committed against the Group is brought to the attention of top management and the Audit and Compliance Committee (“ACC”) of the Group in order that appropriate actions (e.g. strengthen controls to prevent recurrence, comply with prescribed reporting to authorities, take necessary actions against the culprit, take actions to recover the loss to the group, etc.) may be taken.

3. Policy

- 3.1. Every employee of the Group is responsible for the protection of the Group’s asset and must act with the highest levels of honesty and integrity to safeguard the Group’s resources.
- 3.2. Every employee must immediately report any fraud that is detected or suspected to any of the Group’s top management (Executive Directors, Head of Internal Audit and other Senior Executives or Group Human Resources, where appropriate) or any member of the Group’s board of directors. The member of top management receiving the report must ensure that the Chairman and Audit & Compliance Committee are briefed of this fraud reported.

- 3.3. This Anti-Fraud Policy will be effectively communicated to all levels of employees and stakeholders, and the procedures for reporting fraud allegations by employees and stakeholders who deal with the Group (e.g. customers, contractors, suppliers, creditors and debtors, etc.) are also clearly communicated through our Whistleblowing Policy.
- 3.4. The Policy shall be included in the training material or orientation/induction packs for all new employees.

4. Definition of Fraud

- 4.1. Fraud is defined as the intentional acts (such as bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, collusion, false representation or concealment of material fact) for the purpose of deceiving others, resulting in the victim suffering a loss and/or the perpetrator achieving an unjust advantage or gain.
- 4.2. Actions constituting fraud:
- Misappropriation of funds, securities, supplies, or other assets
 - Misstatement of assets, liabilities, expenses and/or account balances;
 - False invoicing, false expenses or settlement of contracts;
 - Unauthorised adjustments to related parties customer account balances (e.g. friends and relatives gas billing records);
 - Improper use of business information not released to the public and/or commercially sensitive information;
 - Collusion with trading counterparts such as customers and/or suppliers, or competitors;
 - Unauthorised trading activities involved conflict of interest and/or gaining of personal interests;
 - False accounting and/or misleading disclosures;
 - False declaration of work performed or misstatement of material used in projects;
 - Offering or accepting bribes in the course of employment; and
 - Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
 - Any similar or related irregularity

If there is doubt on whether an irregularity constitutes fraud, please contact the Group Internal Audit Department for guidance.

5. Investigation Responsibilities

- 5.1. The Group Internal Audit Department has the primary responsibility for the investigation of all suspected fraudulent acts indicated in this policy, as may be directed by ACC or by the Chairman directly or through the Executive Director(s). The Head of Group Internal Audit must report the results of investigation to ACC and to the Chairman/Designate.
- 5.2. In order to keep the act of fraud confidential and to avoid inadvertently alerting the suspected perpetrator(s), no employee shall get involved with the investigation unless specifically instructed by the ACC or by the Chairman. No one should interview potential witnesses or the suspected perpetrator(s); only the investigating team is authorised to take this action.
- 5.3. Decision to prosecute or refer the investigation to appropriate law enforcement and/or regulatory agencies shall be made as directed by the Chairman directly or through the Executive Director(s).

6. Confidentiality

- 6.1. All information relating to the fraud reported shall be kept confidential and should not be discussed with anyone (including other employees of the Group) other than those who need to know.
- 6.2. Reports on investigation results *will be circulated to other members of management strictly on a 'need to know' basis*. This is important in order to avoid damaging the reputation of suspected perpetrators subsequently found innocent, to avoid damage to the Group's reputation, and minimise risk of potential civil liability to the Group.

7. Authorization for Investigating Suspected Fraud

Members of the Investigation Team will have:

- Free and unrestricted access to all Group's records, including emails, phone records, within the Group's premises.
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities belonging to the Group, without prior knowledge or consent of any employee who might be using or have custody of any such items or facilities, provided such action by a member of the investigating team is within the scope of the investigation.

8. Language

This policy is prepared in both Chinese and English languages. In case of any discrepancies between the Chinese and English versions, the English version shall prevail.

9. Approval & Revisions of Policy

The ACC shall be vested by the Board with the full power to implement, monitor, review, update and revise this policy.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.