



新世界發展有限公司

New World Development Company Limited

(Stock Code: 17.HK)

Anti-Fraud Policy

New World Development Company Limited

1. Introduction:

New World Development Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) are committed to protecting its reputation, revenues, assets and information from any attempts of fraud, deceit or other improper conduct by employees or third parties. It is in all interest of the Group to ensure that any inappropriate behaviour or malpractice that compromise the interest of the shareholders, investors, customers and the wider public does not occur.

This Anti-Fraud Policy (the “Policy”) of the Company references, where appropriate, the principles embodied in the UN Global Compact, World Economic Forum's Partnering Against Corruption Initiative, and Transparency International's Business Principles for Countering Bribery. This Policy also supplements other relevant corporate policies of the Company including **Whistleblowing Policy, Conflict of Interest Policy, Risk Management Policy, Code of Conduct Policy** and **Employee Handbook**.

This Policy sets out the Company’s expectations and requirements relating to the prohibition, recognition, reporting and investigation of suspected fraud, corruption, misappropriation and other similar irregularities. The Company strives to:

- Set the “tone at the top” through a visible and active leadership commitment to zero tolerance of corruption in all its forms, including extortion and bribery;
- Build an internal commitment that encourages, recognises and provides positive support for ethical conduct;
- Foster transparency throughout the organisation and in interactions with stakeholders;
- Encourage business partners to uphold the same ethical standards that we observe; and
- Comply with the Prevention of Bribery Ordinance (Cap. 201), and any other anti-bribery laws that the Company may be subject to while operating in other jurisdictions.

2. Scope:

This Policy applies to directors, officers and employees of the Company, its wholly owned subsidiaries, and joint ventures or companies in which the Company holds a controlling interest. All of our business partners, including joint venture partners, associated companies, contractors and suppliers are encouraged to abide by the principles of this Policy.

3. Definition of Fraud:

The term “fraud”, as used in this Policy, refers generally to any intentional act committed to secure an unfair or unlawful gain including, but not limited to, fraud, corruption, misappropriation, theft and other similar irregularities that reflect actual or potential:

- misrepresentation in the Company’s publicly released financial statements or other public disclosures;
- misappropriation 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 or other violation of anti-corruption laws; or
- improper payment schemes such as employees or directors 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.

4. Policy:

This Policy is intended to assist individual employees (permanent or temporary) or relevant parties to disclose information on such irregularities as suspected deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Under this Policy, the Company will:

- conduct periodic and systematic fraud risk assessments;
- design and adapt control activities to mitigate fraud risks identified internally and by the external auditors;
- communicate effectively its anti-fraud policy and procedures to all levels of employees so that the procedures for reporting allegations of fraud by employees and external parties will be clearly informed; and
- monitor the effectiveness of its controls related to mitigating fraud risk and remedy any deficiencies identified internally and by the external auditors in a timely manner.

5. Training and Communication:

This Policy is communicated to all employees of the Company and, as appropriate, to our business partners. Directors, officers, and employees will receive suitable training in bribery, corruption, fraud management, ethical standards and other relevant topics.

6. Staff Responsibility:

Resisting fraud and helping the Company defend against corrupt practices should be the responsibility of every staff member. They should:

- have basic understanding of the requirements under the Prevention of Bribery Ordinance (Cap. 201) and the anti-bribery laws of the country in which they carry out business;
- familiarise themselves with and comply with the requirements of the Company's anti-fraud policy;
- have basic knowledge of the fraud risks in their working environment and the proper anti-fraud practices they should adopt; and
- promptly bring to the attention of the management or appropriate reporting channel of any fraud or practices conducive to fraud noted.

7. Reporting Channel:

Suspected cases of fraud should be reported promptly, whether or not 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 Internal Audit of the Company.

Employees of the Group or relevant parties who have legitimate concerns can report to Group Internal Audit of the Company through the following channels:

- (i) In writing to Group Internal Audit at 29/F, New World Tower 1, 18 Queen's Road Central, Hong Kong in a sealed envelope clearly marked "Strictly Private and Confidential – To be Opened by Addressee Only"; or
- (ii) By email to groupinternalaudit@nwd.com.hk.

Any business units in receipt of a report alleging any of the above types of misconducts, malpractices or irregularities shall redirect the report to Group Internal Audit, which will handle such report in the same manner as stipulated in this Policy.

8. Supporting Documentation:

Disclosures can be made in writing or by using the standard form (Fraud Report Form) attached as Annex I to this Policy.

As the Company takes this reporting seriously and wants to fully investigate all potential cases, the report should show reasons for the concerns and full disclosure of any relevant details and supporting documentation. Employees are, however, required to put their names and contacts to any report they make. Anonymous complaints would usually not be considered.

9. Protection and Confidentiality:

It is the Company's policy to 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.

The Company reserves the right to take appropriate actions against anyone who initiates or threatens to initiate retaliation against those who have raised concerns under this Policy. In particular, employees who initiate or threaten retaliation will be subject to disciplinary actions, which may include summary dismissal. Management will support all employees and encourage them to raise legitimate concerns without fear of reprisals.

10. Investigation:

Group Internal Audit will evaluate the validity and relevance of the concerns raised, and to decide if a full investigation is necessary. The format and the length of an investigation will vary depending upon the nature and particular circumstances of each report made. The matters raised may be:

- (i) investigated internally;
- (ii) referred to the Audit Committee;

- (iii) referred to the external auditors;
- (iv) referred to the relevant public or regulatory/law enforcement authorities; and/or
- (v) form the subject of any other actions as the Audit Committee may determine in the best interest of the Group.

The objective of an investigation is to examine information relating to the allegation as quickly as possible, to consider the evidence collected and to draw conclusions in a manner that is objective and impartial. During the investigation, Group Internal Audit may seek advice and/or assistance from professionals such as lawyers, external auditors, etc., where appropriate.

11. False Reports:

If the complainant makes a false report maliciously, with an ulterior motive, or for personal gain, the Company reserves the right to take appropriate actions against the complainant to recover any loss or damage as a result of the false report. In particular, employees may face disciplinary action, including dismissal, where appropriate.

12. Record Retention:

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 and/or conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for at least 7 years (or whatever other period may be specified by any relevant legislation).

13. Implementation and 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 Group Internal Audit.

If there are any questions about the contents or application of this Policy, please contact Group Internal Audit by email to groupinternalaudit@nwd.com.hk.

- THE END -

Fraud Report Form – Annex I
(Confidential)

The Anti-Fraud Policy is established to encourage and assist employees or relevant parties to disclose information relevant to the misconducts, malpractices or irregularities through a confidential reporting channel (to the extent possible). The Company will handle this report with care and will treat the complainant's concerns fairly and properly. If you wish to make a written report, please use the report form below. Once completed, this report becomes confidential. You may send the report, marked "Strictly Private and Confidential – to be opened by Addressee Only" and addressed to Group Internal Audit, by post to the relevant address below or by email to: groupinternalaudit@nwd.com.hk

To: Group Internal Audit	
29/F, New World Tower 1, 18 Queen's Road Central, Hong Kong	
Your Name/Contact Telephone Number and Email We encourage you to provide your name with this report. Concerns expressed anonymously are much less powerful but they will be considered as far as practicable.	Name:
	Address:
	Tel No:
	Email:
	Date:
The names of those involved (if known):	
Details of concerns: Please provide full details of your concerns: names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence/documents.	



Personal Information Collection Statement

All personal data collected will only be used for purposes which are directly related to the fraud case you reported. Any anonymous reports not supplying such personal data in general will not be acted upon. Therefore, it is strongly recommended that the report should not be made anonymously. The personal data submitted will be held and kept confidential by Group Internal Audit and may be transferred to parties with whom we will contact during our handling of this case. The information provided may also be disclosed to law enforcement authorities or other concerned units. Where relevant, under the Personal Data (Privacy) Ordinance of Hong Kong, you shall have the right to request access to and correction of your personal data. If you wish to exercise these rights, requests should be made in writing to Group Internal Audit at Hong Kong address shown in this form.