

Hysan Development Company Limited
Anti-Fraud Policy
(Last reviewed and approved in November 2023)

1. Objectives

- 1.1 The Group is committed to upholding high standards of integrity, honesty and transparency in all its business dealings and has zero-tolerance attitude to fraud. The Company strictly prohibits acts of fraud, and is committed to the prevention, deterrence, detection and investigation of all forms of fraud. We are committed to complying with laws and regulations addressing fraud in the jurisdictions in which the Group operates.
- 1.2 This Policy is an integral part of the Group's corporate governance framework and seeks to provide guidance to Staff (including Directors, officers and employees of the Group) and/or any person(s) associated with the Group concerning how to deal with fraud and related issues that may arise in the course of business.
- 1.3 This Policy complements and should be read in conjunction with the Code of Ethics, the Anti-Bribery and Corruption Policy, and the Whistleblowing Policy, copies of which can be obtained from our website at www.hysan.com.hk and the relevant policies and procedures which may be referred to in this Policy.

2. Scope

- 2.1 The Board has overall responsibility to ensure that risk culture is established, and fraud awareness is continuously raised Group-wide.
- 2.2 This Policy applies to Directors, officers and employees of the Group. In the case of joint ventures, Hysan representatives are expected to act in accordance with this Policy themselves and to use reasonable endeavours to influence those with whom they are working to act to similar standard of integrity and ethical behaviour. Likewise, contractors and suppliers working for the Group are encouraged to follow this Policy during their contract term with the Group.

3. Fraud

- 3.1 In the broadest sense, "fraud" is defined as any deceptive conduct, intentional misrepresentation or concealment of a material fact with the intention to secure any form of financial or personal gain or to induce another to act to his or her detriment. It includes (but not limited to) activities such as corruption, deception, bribery, collusion, bid rigging, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, wrongful destruction of records and money laundering, which are serious criminal offences that can have a significant impact on our brand, reputation and profits.
- 3.2 Examples of fraudulent activities that may impact the Group include (but not limited to):
 - 3.2.1 any dishonest or fraudulent act;
 - 3.2.2 misappropriation of funds, securities, supplies, or other assets;

- 3.2.3 false expenses claims or false invoicing;
 - 3.2.4 impropriety in the handling or reporting of money or financial transactions;
 - 3.2.5 profiteering as a result of insider knowledge of company activities;
 - 3.2.6 disclosing confidential and proprietary information to outside parties;
 - 3.2.7 disclosing to other persons investment activities engaged in or contemplated by the Group;
 - 3.2.8 unauthorized access and/or disclosure of customer or corporate data
 - 3.2.9 accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company or giving material benefit to such persons;
 - 3.2.10 entering into deceitful agreement with third parties for unfair advantage or other types of collusive activities with third parties;
 - 3.2.11 destruction, removal, or inappropriate use of record, assets, and equipment without providing legitimate reasons and not following the required procedures; and
 - 3.2.12 any similar or related irregularity.
- 3.3 Individuals must not knowingly commit, be party to, or be otherwise involved in fraud.
- 3.4 Appropriate levels of diligence may be conducted in engaging parties with a business relationship with the Group.

4. Managing the Risk of Fraud – Responsibilities

- 4.1 Management has the overall responsibility for managing fraud risk, including:
- designing, developing and maintaining effective systems of risk management and internal control to prevent and timely detect fraud;
 - identifying and conducting fraud risk assessment;
 - establishing appropriate mechanisms and procedures for reporting issues related to fraud risk, mitigation of fraud risk and remediation of any deficiencies identified;
 - ensuring that appropriate actions are taken to safeguard the recovery of assets;
 - ensuring that appropriate actions are taken to safeguard intellectual property, trade secrets and confidential business information;
 - ensuring all procurement activities will be conducted with transparency, fairness and full compliance with relevant laws and Group policies and procedures;
 - ensuring that all employees are aware of the Group's overall attitude to fraud and their individual responsibilities in relation to combating fraud;
 - ensuring that appropriate anti-fraud trainings are available to the employees; and
 - nurturing the culture of accountability and integrity across the Group.

4.2 Every employee is responsible for:

- acting with the high standards of honesty, integrity and ethics;
- complying with the Group's policies and procedures and the internal controls requirements;
- performing appropriate due diligence in respect of any parties with whom the Group intends to do business;
- immediately reporting details of suspected fraud or irregularity through the established information channel in accordance with the Group's Whistleblowing Policy; and
- co-operating fully with dedicated employees assigned to conduct internal checks, reviews or fraud investigations.

4.3 Group Internal Audit is responsible for:

- assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness and efficiency of fraud controls;
- assisting the Management in conducting fraud investigations; and
- monitoring the process for identification, detection and management of the risks of fraud and fraud incident.

4.4 the Audit and Risk Management Committee is responsible for:

- ensuring there is due process for the identification and management of fraud risks;
- monitoring the Group's procedures for the safeguarding of its assets and ensuring the Company has adequate policies and systems in place for the prevention and detection of fraud; and
- reviewing procedures established within the Group by which employees may, in confidence and/or anonymous, report an allegation regarding potential or actual fraud incident.

5. Fraud Response and Reporting

5.1 To ensure that effective and timely action is taken against any suspected or proved fraud or any other irregularities, the Company has established an overall response procedure which defines the steps to be followed in such cases.

5.2 For further details on the reporting channels and process, please refer to the Whistleblowing Policy.

6. Approval and review of this Policy

This Policy has been approved by the Board. The Audit and Risk Management Committee is responsible for monitoring and regular review of this Policy. Any subsequent amendment of this Policy shall be reviewed by the Audit and Risk Management Committee and approved by the Board.

Definitions:

“**Board**” shall mean the board of directors of the Company.

“**Company**” or “**Hysan**” shall mean Hysan Development Company Limited.

“**Group**” shall mean the Company and its subsidiaries.

“**Policy**” shall mean the Anti-Fraud Policy.
