

# BEIJINGWEST INDUSTRIES INTERNATIONAL LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

## ANTI-FRAUD AND ANTI-BRIBERY POLICY

*(As adopted on 30 June 2022)*

### 1. PURPOSE

BeijingWest Industries International Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) is committed to conducting business in accordance with the ethical standards and prohibits all forms of fraud and bribery. All members of the Group, including directors, senior management and staff members at all levels are required to follow all applicable laws, rules and regulations relating to anti-bribery and anti-corruption, which include, but not limited to, the Prevention of Bribery Ordinance (Cap. 201) (“**POBO**”), guidance(s) issued by the Independent Commission Against Corruption (“**ICAC**”) and such other laws and regulations in other jurisdictions where the Group is conducting business.

This anti-fraud and anti-bribery policy (the “**Policy**”) aims to (1) set out the basic principles to manage conflict of interest situations in order to uphold good corporate governance in the Group; (2) set out the minimum standards of conduct for preventing fraudulent acts which may lead to criminal offences or a breach of the applicable anti-bribery laws and regulations; and (3) highlight the responsibilities of the directors and staff members under both the relevant anti-corruption laws and this Policy.

Directors, senior management and staff members (permanent or temporary employees) of the Group (together, the “**Employees**”) are required to adhere to this Policy as well as any additional requirements set by their employing company or by local law. All Employees are expected to understand and appreciate the importance of this Policy and comply with it in the daily work.

The Group is also committed to promoting anti-fraud and anti-bribery practices amongst any third parties representatives it engages, which could include, but not limited to, advisers, agents, consultants, distributors, or any other third-party representatives acting for or on behalf of the Group (the “**Third Party Representative(s)**”). This Policy also applies to the Third Party Representative(s) who is/are engaged to represent the interests of the Group.

## 2. BASIC PRINCIPLES FOR EMPLOYEES AND MANAGEMENT TO HANDLE CONFLICT OF INTEREST

It is expected that Employees should act in the best interests of the Company and exercise their official duties in a fair and impartial manner. Employees should not exploit their official positions or authorities to pursue their own private interests. Whenever Employees have any financial or non-financial interest of such extent that it might reasonably affect Employees' judgement or decisions exercised on behalf of the Group, Employees have to declare their interest and refrain from making decision themselves. Employees should decline to provide any assistance, advice or information to customer, supplier, commercial partner, subcontractor or other principal dealing with the Group for any acts that deviate from the legitimate and/or normal course of action. If any Employee has doubt about the situation that he/she encounters, it is vital to consult the management for further advice.

When conflict of interest situation arises, the management should act according to the Policy and relevant guidelines, and manage the risks in accordance with the following principles:

- (i) deal with the declared conflict of interest prudently, examine the facts and assess the nature as well as seriousness of the conflict;
- (ii) adopt appropriate measures to mitigate risks and take follow-up actions in an effective manner;
- (iii) document the decision made and the rationale behind the decision;
- (iv) report any suspected corruption to the ICAC in Hong Kong or similar authority in the country of the Group's overseas subsidiaries; and
- (v) report any suspected crimes to respective law enforcement authorities.

## 3. GENERAL POLICY

**3.1 Prohibition of bribery** – Employees are prohibited from offering any bribe or advantage (as defined in the POBO, including but not limited to any gift, loan, fee, reward, commission, employment contract, business contract etc.), whether directly or indirectly, to any person, ex-employee, public servant, agent of a company or an organization in connection with the business of the Group, in order to obtain or retain business, to secure some other improper advantages, or to improperly influence the execution of duties in relation to the affairs of the Group, whether in Hong Kong or elsewhere.

**3.2 On acceptance of advantages** – Employees are prohibited (whether acting in their own capacity or on behalf of the Group) from soliciting, accepting, or retaining personal benefits from any other directors/ staff members, customer of the Group, or any individual or organization doing or seeking to do business with the Group.

**3.3 Facilitation payments** – all improper payments, regardless of amount or

purpose, including “facilitating” (or expediting) payments are prohibited, whether in Hong Kong or elsewhere. Facilitation payments refer to unofficial payments to public servants (e.g. government officers, members and employees of public bodies) as an inducement to or reward for his/her performing or abstaining from performing any act in his/her capacity as a public servant, or to expedite or securing the performance of routine government actions, such as obtaining visas, permits or licences.

- 3.4 On using proprietary information** – Employees must not leak any proprietary information of the Group, namely secret formulas, processes, and methods used in production, Company's business and marketing plans, salary structure, customer lists, contracts, and details of its computer systems etc. to any third parties in exchange for any improper favor or benefit.
- 3.5 On preventing the misuse of organization assets** – theft or unauthorized use and/or disposal of the assets or resources of the Group is strictly prohibited. Employees must not use any funds or assets of the Group for contributions to any political party or candidate for public office. No Employee may make any political contribution as a representative of the Group or create the impression that he/she is acting as a representative of the Group. If any requests are made for political contributions by the Group, such requests should be referred to the board of directors of the Company for consideration.
- 3.6 Business courtesies** – Business courtesies must be permissible under all applicable laws, rules and regulations in the relevant country. When dealing with a public official, the official's country will often have laws imposing limits on the level of hospitality and gifts which can be accepted, and those laws must be strictly adhered to. When dealing with the private sector, gifts or hospitality should not exceed any limits imposed by the recipient's organization or threshold of the rules of the local government, whichever is lower.
- 3.7 Gifts, Meals, Travel and Entertainment** – It is not permissible to provide gifts, meals, travel, or entertainment to anyone (public servants or commercial partners) in exchange for any improper favor or benefit.
- 3.8 Procurement of Goods and Services** – The Group is committed to dealing with its customers and suppliers in a fair and honest manner, while seeking best value for the business. Potential suppliers are treated on an equal basis during the procurement process. The Group conducts its procurement practices in a fair and transparent manner and Employees must act with due care and diligence when evaluating prospective contractors and suppliers.
- 3.9 Donations** – Donations may in some circumstances constitute a disguised form of bribery. It is not permissible to provide a donation to improperly

influence a public servant, or in exchange for any improper favor or benefit. However, charitable donations may be allowed upon prior approval of the Chairman or Managing Director of the Company.

**3.10 Third-Party Management** – Third Party Representatives acting for or on behalf of the Group are prohibited from making corrupt payments on the Group's behalf. This prohibition also applies to subcontractors hired by Third Party Representatives to perform work on the Group's behalf. To minimise the risk of Third Party Representatives engaging in inappropriate conduct, Group companies should always act with due care and diligence in selecting Third Party Representatives.

**3.11 Communication and training** – the Company should ensure that Employees are informed about and understand this Policy. The Company shall make this Policy available to all Employees (whether in hard copy or online) and to provide briefings to new Employees thereon. Trainings relating to fraud and bribery risks as well as relevant laws, regulations and standards of conduct shall be provided to Employees from time to time to enhance their understanding on anti-bribery and corruption.

**3.12 On maintaining records and accounts** – accurate records of all company transactions, as well as business gifts and hospitality must be kept. All receipts and expenditures must be supported by documents that describe the relevant transactions accurately and properly. Employees must not use any receipt, account or other document which contains any statement which is misleading or false or defective in any material particular when performing their duties.

**3.13 Extra-territorial legal obligations** – the Company should observe other anti-corruption laws and regulations in other jurisdictions which have extra-territorial effect and may be applicable to the companies of the Group when such companies are conducting business in Hong Kong. In particular, the following anti-corruption legislations:

- Criminal Law and Anti-Unfair Competition Law of the People's Republic of China;
- Foreign Corrupt Practices Act of the United States; and
- Bribery Act of the United Kingdom.

#### **4. REOPRTING OF FRAUD AND BRIBERY ACTIVITY**

If an Employee becomes aware of any actual or suspected breach of this policy, he/she must report such incidents in accordance with the Company's Whistleblowing Policy. Please refer to the Whistleblowing Policy of the Company which provides a mechanism for Employees and those who deal with the Group to report on any suspected fraud and bribery activity through confidential reporting channels. The Whistleblowing Policy is available on the official website of the Company ([www.bwi-intl.com.hk](http://www.bwi-intl.com.hk)) under the corporate governance section.

## **5. COMPLIANCE WITH THE POLICY**

It is the responsibility of every Employee of the Company to understand and adhere to Group's policies and rules in relation to anti-fraud and anti-bribery, whether performing his/her duties of the Company in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and adhere to this Policy. Any Employee in breach of this Policy will be subject to disciplinary action that might ultimately result in termination of employment and/or personal civil or criminal sanctions.

## **6. REVIEW OF THE POLICY**

The Audit Committee shall review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Audit Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Should there be any discrepancy between the English version and the Chinese version of this Policy, the English version shall apply and prevail.

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