



Chow Tai Fook Jewellery Group Limited

Anti-Fraud Policy

Introduction

1. Chow Tai Fook Jewellery Group Limited and its subsidiaries (collectively, hereafter referred to as the Group) is committed to preventing, detecting and reporting fraud.
2. The Anti-Fraud Policy applies to directors, officers and employees of the Group. We encourage all of our business partners, including joint venture partners, associated companies, contractors and suppliers to abide by the principles of this policy.
3. In this policy, fraud is defined as acts such as corruption, bribery, deception, forgery, misappropriation, extortion, conspiracy, collusion, theft, embezzlement, false representation and concealment of material facts.
4. For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to the Group or other stakeholders. Examples of conduct that would be considered fraudulent including but not limited to:
 - Theft of inventory ;
 - False invoicing or settlement of contracts ;
 - Unauthorised adjustments to the rights of Group's members (including points, gift certificates and other member awards) ;
 - Breach of company policies, procedures or unauthorised use of non-system generated sales documents ;
 - Improper use or disclosure of commercially sensitive information ;
 - Collusive activity with trading counterparties or competitors ;
 - Committing or conducting unauthorised trading activities ;
 - False accounting, fraudulent financial reporting and misleading disclosures ; and
 - Deliberate misuse of credit cards, funds or other resources of the Group.

General Policy

5. The Group will maintain a control environment that promotes its core values featuring honesty, integrity and fair play, including the requirement for all levels of employees to adhere to the Code of Conduct of the Group.
6. The Group will conduct periodic and systematic fraud risk assessments.
7. The Group's control activities will be designed and adapted to mitigate fraud risks identified internally (including internal audit) and by the external auditors.
8. The Group will effectively communicate its anti-fraud policy and procedures to all levels of employees. The procedures for reporting allegations of fraud by employees and external parties will be clearly communicated.
9. The Group will monitor the effectiveness of its controls related to mitigating fraud risk and remedy any deficiencies identified internally (including internal audit) and by the external auditors in a timely manner.

Reporting and Response

10. 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 or department head or directly to the Group's whistleblowing officers.

11. As the Group takes this reporting seriously and wants to fully investigate all potential cases in a timely and efficient manner and therefore urges the whistleblower to provide a real name and contact information. These investigations will be handled confidentially.
12. Management will take immediate corrective actions to resolve substantiated frauds.
13. The Group's whistleblowing officers will report fraudulent activity to the Audit Committee of Chow Tai Fook Jewellery Group Limited. This report will include the number of cases reported, the nature of important investigations and the results of those investigations.
14. Regarding the reporting procedures of whistleblowing cases, the contents of the Group's "Whistleblowing Policy" shall prevail.