

**京投轨道交通科技控股有限公司**  
**BII Railway Transportation Technology Holdings Company Limited**  
(the “Company”)  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1522)

**Anti-fraud Regulation**

**Purpose**

1. The Company formulated the Regulation in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and relevant laws and regulations, in order to prevent fraud, strengthen its internal control, promote its culture of integrity, standardise business conduct, safeguard its interests, and protect the legitimate rights and interests of shareholders.

**Scope of Application**

2. The Regulation shall apply to all employees of BII Railway Transportation Technology Holdings Company Limited (“**BII Trans Tech**” or the “**Company**”) and the subsidiaries it owns and controls (“**Subsidiaries**”), all relevant parties outside the Company and persons acting on behalf of the Company in the capacity of agent or trustee.

**Definition of Fraud**

3. Fraud refers to an intentional act by the management and employees of the Company to gain improper or illegal benefits involving the use of deceptive means. Fraud under the Regulation includes:
  - (1) Implying or taking bribes or kickbacks;
  - (2) Participating in or assisting in money laundering or acts for the purpose of money laundering;
  - (3) Illegal raising of funds and use, embezzlement, defalcation and misappropriation of the Company’s assets;
  - (4) Transferring transactions that could make an organisation profitable under normal circumstances to others;
  - (5) Improper disposal of assets, and increase or decrease of fictitious assets or liabilities, which can not truly reflect the owner’s equity;

- (6) Falsification of quality and output data and safety reports, seriously inconsistent with the actual situation;
- (7) Deliberate concealment and misstatement of transactions; submission or falsification of inaccurate invoices or documents; falsification or alteration of accounting records or vouchers; false records, misleading statements or major omissions in information disclosure;
- (8) Divulging the information or business secrets of the Company like information about self-developed source code, operations, investment and important contacts;
- (9) Unauthorised conduct of various profit-making activities in the name of the Company;
- (10) Exploiting vulnerabilities and defects in e-commerce and information technology to damage the benefits of the Company;
- (11) Other fraudulent acts that damage the benefits of the Company.

#### **Assignment of Responsibility**

4. The management of the Company is responsible for creating a good anti-fraud cultural environment and internal supervision mechanism, setting up reporting and complaining channels to prevent and detect frauds, implementing effective control measures to reduce the chance of frauds, and taking appropriate and effective remedies for confirmed frauds, so as to rebuild the reputation of the Company.
5. All employees shall abide by the Company's rules and regulations, ethics, and national and industrial laws and regulations, so as to uphold the principles of integrity, honesty, fairness and impartiality and adhere to business ethics. Any fraud identified by employees shall be reported to the Audit Committee through proper channels.
6. The report handling office shall collect and sort out the information revealed by whistleblowers, carry out investigations, and report to the management depending on the severity of cases. The relevant materials of fraud cases shall be kept with written evidence and filed in time. The Party-masses Work Department is responsible for carrying out educational activities on integrity.
7. Directors, executives and employees shall avoid conflicts of interest when handling affairs or conducting business for the Company, and shall promptly recuse from and declare conflicts of interest when they are foreseeable or occur.

## **Management and Approval Procedures of Fraud Cases**

8. The Company encourages the reporting of frauds, with procedures detailed in the Whistleblowing Regulation. Internal staff can bypass the immediate leader to report information. No one is allowed to discriminate or retaliate against whistleblowers. The report handling office shall collect and sort out the information reported by whistleblowers and timely deal with it.
9. Without the authorisation of the report handling office, the staff who accept a report and complaint or participate in a fraud investigation shall not provide the relevant information about the report and complaint to any entity or individual. Whistleblowers, including their privacy, shall be protected for assistance in investigations. The Company is prohibited to take any form of discrimination or retaliation against whistleblowers, and the relevant persons under investigation shall not take hostile measures against investigators or obstruct investigations.

## **Remedies and Penalties for Fraud**

10. After the occurrence of fraud, the Company shall take immediate actions and require affected departments, Subsidiaries and related persons to make rectification.
11. The Company shall impose corresponding punishments on the employees for their confirmed fraudulent acts. Cases involving criminal fraud shall be transferred to judicial organs for handling according to law.
12. The outcome of fraud cases shall be notified and publicised within the designated scope of the Company depending on the severity of the cases.
13. The Company will cooperate with relevant departments to make timely remedies to reduce or eliminate the impact of the fraud cases on its reputation.

## **Policy Review**

14. The Legal Compliance Department is responsible for drafting, regularly reviewing, revising and interpreting the Regulation. The version available on the Company's website is the latest authoritative version of the Regulation.

The Regulation was revised and adopted by a resolution of the Board on 28 December 2022 and effective from 28 December 2022.