

# China Public Procurement Limited

## 中國公共採購有限公司

(the “Company”)

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### WHISTLEBLOWING POLICY

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#### 1. Constitution

- 1.1 The Whistleblowing Policy (the “Policy”) was established on [\*] 2013 pursuant to a resolution passed on the same day by the audit committee (the “Audit Committee”). Pursuant to a resolution passed on [\*] 2013, the board of directors (the “Directors”) (the “Board”) of the Company approved the Policy.

#### 2. Purpose

- 2.1 The firm commitment to a set of business principles and ethics are central to the Company’s success. These principles and ethics cover all aspects of our operations. They begin with how we treat our own people and move through our relations with investors and business partners.
- 2.2 All employees should do what is right, behave with integrity and honesty, treat people fairly, respect diversity, obey all laws, accept accountability, communicate openly, and always behave in a way that is beyond reproach. the Company expects all employees to observe and apply these principles in the conduct of the Company’s business.
- 2.3 This policy is designed to encourage employees of the Company and related third parties (e.g. customers, suppliers, etc., who deal with the Company) (“Third Parties”) to raise concerns, in confidence, about misconduct, malpractice or irregularities in any matters related to the Company.

### **3. General Policy**

- 3.1 “Whistleblowing” refers to a situation where an employee or a Third Party decides to report serious concerns about any suspected misconduct, malpractice or irregularity. See Section 7 for examples of misconducts, malpractices or irregularities.
- 3.2 This policy is intended to encourage and assist Whistleblowers to disclose information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel. The Company will handle the report with care and will treat the Whistleblower’s concerns fairly and properly.

### **4. Responsibility to Report**

- 4.1 Employees shall promptly alert their supervisor or higher management of business and work-related situations that could be damaging to the Company or cause harm to others such as emergencies, crimes, accidents, irregularities or other unexpected events; and to take reasonable action to prevent damage or harm. Employees shall not assist or authorise others in activities that breach the Company’s principles, or conceal or fail to report any known or suspected breaches by others. Employees and Third Parties may also have a duty to report corruption to the authorities if required to do so by local regulations.

### **5. Protection**

- 5.1 Persons making genuine and appropriate complaints under this policy are assured of fair treatment. In addition, the Company’s employees are also assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated.
- 5.2 The Company reserves the right to take appropriate actions against

anyone (employees or Third Parties) 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. The Company will support all employees and encourage them to raise concerns without fear of reprisals.

## **6. Confidentiality**

- 6.1 The Company will make every effort, within its capacity to do so, to keep a Whistleblower's identity confidential.
- 6.2 The Company will endeavour to advise a Whistleblower in advance if his or her identity may become apparent or need to be disclosed. Should an investigation lead to a criminal prosecution, it may become necessary for a Whistleblower to provide evidence or be interviewed by the relevant authorities.
- 6.3 For his or her part, in order not to jeopardise the investigation, the Whistleblower is also required to keep confidential the fact that he or she has filed a report as well as the nature of concerns and the identities of those involved.

## **7. Types of Misconduct, Malpractice and Irregularity**

- 7.1 It is not possible to give an exhaustive list of the activities that constitute misconduct, malpractice or irregularity covered by this policy. For example, the Company expects all employees to observe and apply the Company's principles in the conduct of its business. Employee behaviour that is not in line with the Company's principles could constitute a misconduct, malpractice, or irregularity that should be reported, including but not limited to the following:

- ethics and business integrity
- avoiding conflicts of interest

- no bribery
- moderation in gifts and entertainment
- compliance with laws and regulations
- abiding by the Company policies and procedures
- compliance with financial controls and reporting requirements
- protecting the Company's information, records and assets
- representation on behalf of the Company
- prompt response to incidents and obligation to notify
- compliance with the code and obligation to report

## **8. Reporting and Investigations**

### **8.1 Reporting Channel**

- 8.1.1 In general, Whistleblowers should make their reports to the Audit Committee for review. For employees, they may prefer to have an initial discussion with his/her manager or local Human Resources (HR) representatives. However, the manager or HR must in turn report any potential or actual misconducts, malpractices or irregularities to the Audit Committee.
- 8.1.2 If employees feel uncomfortable doing this (e.g., your line manager has declined to handle your case or it is the line manager who is the subject of the report), then the employee should contact the Audit Committee. Business partners, suppliers and Third Parties are encouraged to report directly to the Audit Committee.
- 8.1.3 Any business units in receipt of a letter or a verbal report alleging any of the above types of misconducts, malpractices or irregularities shall redirect the letter or the reportee to the Audit Committee. If it is considered desirable to take legal action or to refer the case to law enforcement authorities, advice from the legal function of the local business unit where applicable and the Chairman of the Audit Committee should be obtained.

## **8.2 Reports and Supporting Documentation**

While the Company does not expect the Whistleblower to have absolute proof or evidence of the misconducts, malpractices or irregularities reported, the report should show the reasons for the concerns and full disclosure of any relevant details and supporting documentation. If you make a report in good faith then, even if it is not confirmed by any subsequent investigation, the Whistleblower's concerns would be valued and appreciated. You can make a report in writing (by post or by email) to the Audit Committee using the standard form (Whistleblower Report Form) attached as Annex 1 of this policy.

## **8.3 Investigations**

- 8.3.1 The Company will assess every report received through the general reporting channel described in section 8.1 above to decide if a full investigation is necessary.
- 8.3.2 If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter will be reported by the Audit Committee to the relevant local authorities (for instance, Independent Commission Against Corruption (ICAC) in Hong Kong).
- 8.3.3 In some situations (e.g. in case of possible criminal offence), the Audit Committee may have to refer the matter together with the relevant information to the authorities. Please note that once the matter is referred to the authorities, the Company will not be able to take further action on the matter.
- 8.3.4 The Company will prepare a full report on the investigations conducted by the Audit Committee without revealing the identity of the Whistleblower. For confirmed cases of violations, the normal process is for the responsible line management (with the assistance of HR representative) to determine what disciplinary action is appropriate and after review by the Audit Committee, make a recommendation to the Company's Board for final decision.

## **9. False Reports**

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

## **10. Anonymous Reports**

- 10.1 As the Company takes reporting of misconducts, malpractices, and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, it is preferred that these reports are not made anonymously. However, it is recognised that for any number of reasons, employees or Third Parties may not feel comfortable reporting potential violations directly to the Audit Committee. In these cases, anonymous reports may be submitted.

## **11. Record Retention**

- 11.1 Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Company under Section 8 above. In the event a reported irregularity leads to an investigation, the party responsible for leading / conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding six years (or whatever other period may be specified by any relevant legislation)

## **12. Responsibility for Implementation and Review of Policy**

- 12.1 This policy has been approved and adopted by the Board of the Company. The Audit Committee has overall responsibility for implementation, monitoring and periodic review of this policy. In addition, the Audit Committee has delegated the day-to-day responsibility for administration of the policy to the company secretary.
- 12.2 If there are any questions about the contents or application of this policy, please contact the Audit Committee.

**Whistleblowing Policy**  
**WHISTLEBLOWER REPORT FORM – ANNEX 1**  
**(CONFIDENTIAL)**

China Public Procurement Limited (the “Company”) is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, the Company encourages all employees and related third parties (e.g. customers, suppliers, etc., who deal with the Company) to raise concerns and report in confidence, about misconducts, malpractices or irregularities in any matters related to the Company.

The Whistleblowing Policy has been established to encourage and assist Whistleblowers 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 Whistleblower’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 confidential and addressed to the Chairman of Audit Committee, by post to the relevant addresses below or by email to [whistleblowing@cphk.com](mailto:whistleblowing@cphk.com).

To: Chairman of Audit Committee	
<p><b>Your Name/Contact Telephone Number and Email</b></p> <p>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.</p>	<p>Name: _____</p> <p>Address: _____</p> <p>Tel No.: _____</p> <p>Email: _____</p> <p>Date: _____</p>
<b>The names of those involved (if known):</b>	
<p><b>Details of concerns:</b></p> <p>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.</p>	