



弘達金融控股有限公司

HongDa Financial Holding Limited

Suites 3101 - 05, 31/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong

香港灣仔告士打道108號大新金融中心31樓3101-05室

Tel: (+852) 39189100 Fax: (+852) 31522889

Whistleblowing Policy

*(Adopted by the Board on 19 September 2016
and revised on 8 March 2017)*

I. Purpose

This whistleblowing policy is designed to encourage employees of HongDa Financial Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), 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.

II. Responsibility to Report

To set forth our specific obligations, the Company has a long standing Code of Ethics (“**CoE**”). The CoE provides the guiding principles for all employees to take the right action, 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.

Under the CoE, employees are required to 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 could be in breach of the CoE if they assist or authorize others in activities that breach the CoE, 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.

III. Protection

Persons making genuine and appropriate complaints under this policy are assured of fair treatment. In addition, the Group's employees are also assured of protection against unfair dismissal, victimization or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated. The Group 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 under the CoE, which may include summary dismissal. Management will support all employees and encourage them to raise concerns without fear of reprisals.

IV. Confidentiality

The Group will make every effort, within its capacity to do so, to keep a Whistleblower's identity confidential. The Group will endeavor 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.

V. Types of Misconduct, Malpractice and Irregularity

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 Group expects all employees to observe and apply the CoE principles in the conduct of the Group's business. Employee behavior that is not in line with CoE principles could constitute a misconduct, malpractice, or irregularity that should be reported. The principles of CoE relate to:

- integrity and honesty
- confidentiality
- avoiding conflicts of interest
- responsibilities
- safety, health and environment
- compliance with financial controls and reporting requirements

- moderation in gifts
- compliance with laws and regulations
- protecting our information, records and assets
- compliance with the code and obligation to report

VI. Reporting and Investigations

a) Reporting Channels

In general, Whistleblowers should make their reports to the Group Ethics Committee (“**GEC**”) for review. The Committee consists of Executive Directors, the Chief Executive Officer, the Chief Financial Officer and Heads of Operations at the different operating locations, Human Resources Department and Legal Department.

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 GEC. If employees feel uncomfortable doing this (e.g. his/her line manager has declined to handle his/her case or it is the line manager who is the subject of the report), then the employee should contact GEC. Business partners, suppliers and Third Parties are encouraged to report directly to GEC.

b) Reports and Supporting Documentation

While the Group 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 he/she 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. He/she can make a report as follows:

- (i) Verbally through our Whistleblower Contact Email: ethics@hongdafin.com, or through Contact No.: (852) 3918 9168.
- (ii) In writing (by post or by email) to GEC using the standard form (Whistleblower Report Form) attached as Annex 1 of this policy.

Manager/HR representative is required to submit to the GEC a log summary of all received/recorded reporting forms and corresponding actions taken on a regular basis.

GEC will implement safety custody procedures to safeguard all reporting forms to protect confidentiality all email address and phone numbers.

c) Investigations

GEC will assess every report received through the general reporting channel described in section VI (a) above to decide if a full investigation is necessary. If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, the matter will be reported by GEC to the relevant local authorities (for instance, Independent Commission Against Corruption (“**ICAC**”) in Hong Kong).

In some situations (e.g. in case of possible criminal offence), GEC 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 Group will not be able to take further action on the matter.

GEC will prepare a full report on the investigations conducted without revealing the identity of the Whistleblower. For confirmed cases of CoE violations, the normal process is for the responsible line management (with the assistance of HR representative) to determine what disciplinary action is appropriate and make a recommendation to the GEC for final decision.

VII. False Reports

If a Whistleblower makes a false report maliciously, with an ulterior motive, or for personal gain, the Group reserves the right to take appropriate actions.

VIII. Anonymous Reports

As the Group 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 recognized that for any number of reasons, employees or Third Parties may not feel comfortable reporting potential violations directly to GEC. In these cases, anonymous reports may be submitted to the GEC.

IX. Record Retention

Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Group under Section VI (a) above. In the event a reported irregularity leading 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 of six years (or whatever other period may be specified by any relevant legislation).

X. Responsibility for Implementation and Review of Policy

This policy has been approved and adopted by the Board of the Company. The Audit Committee has been delegated overall responsibility for implementation, monitoring and periodic review of this policy and any matter raised must be put forward to the Board for approval. In addition, the Audit Committee has delegated the day-to-day responsibility for administration of the policy to the GEC. If there are any questions about the contents or application of this policy, please contact GEC.



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ANNEX 1

(CONFIDENTIAL)

WHISTLEBLOWER REPORT FORM

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

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 Group Ethics Committee, by post to the relevant addresses below or by email to ethics@hongdafin.com

To: The Group Ethics Committee

HongDa Financial Holding Limited
Suites 3101-3105, 31/F
Dah Sing Financial Centre
108 Gloucester Road
Wanchai, Hong Kong

Name of reporter/ Contact
Telephone Number and Email

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.

Name:

Address:

Tel No:

Email:

Date:

The names of those involved (if known):

Details of concerns:

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.

Log Reference No.:

Recorded by Manager/HR: Date:

Date: