



Shougang Concord Century Holdings Limited

Whistleblowing Policy

Date: 1 August 2018

1. INTRODUCTION

Shougang Concord Century Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) are committed to achieving and maintaining the highest standards of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. In order to maintain a good corporate image and raise the standard of corporate governance of the Group, and also to ensure that any inappropriate behavior that compromise the interest of the shareholders, investors, customers, suppliers and the wider public does not occur, the Company has devised a whistleblowing policy (the “Policy”).

2. PURPOSE

“Whistleblowing” refers to a situation where an employee decides to report serious concerns about any malpractice which he/she has become aware or genuinely suspects that the Group has been or may become involved in. This Policy is designed to encourage employees to raise serious concerns internally, in a responsible and effective manner rather than overlooking a problem or blowing the whistle outside. The content of this Policy is applicable to all employees of the Group and to a certain extent, outsiders.

3. POLICY

The Company encourages employees who have concerns about any suspected misconduct or malpractice within the Group to come forward and voice those concerns. Whistleblowing matters may include but not limited to:

- (a) Breach of any legal obligations
- (b) Criminal offences, breach of civil law and miscarriage of justice
- (c) Malpractice, impropriety, dishonesty or fraud relating to internal controls, accounting, auditing and financial matters
- (d) Corruption and misconduct
- (e) Endangerment of the health and safety of an individual
- (f) Damage caused to the environment
- (g) Detriment to public interest
- (h) Violation of rules and regulations of the Group
- (i) Improper conduct or unethical behavior likely to prejudice the standing of the Group
- (j) Act of discriminating in the workplace of the Group
- (k) Deliberate concealment of any of the above

4. PROTECTION AND CONFIDENTIALITY

It is the Company’s policy to make every effort to treat all disclosures in a confidential and sensitive manner. The identity of the individual employee making the allegation will not be divulged without the employee’s consent. However, there may be circumstances in which the Company may be required or legally obliged to reveal the employee’s identity, for example, if an investigation leads to legal proceedings being initiated. If this is the case, the Company will take all reasonable steps to ensure that the employee suffers no detriment.

The Company also aware of protection of whistleblowers is now broadly accepted as an essential tool for strengthening accountability and reducing corruption and misconduct in the public and private sectors. Hence, any other employee takes or threatens to take the detrimental action or ill-treat to a genuine whistleblower will be treated as gross misconduct, which if proven, may result in summary dismissal.

5. UNTRUE ALLEGATIONS

Individual employee should exercise due care to ensure the accuracy of the information provided. Disciplinary action will be taken against employee deliberately raising false and malicious allegations, including the possibility of summary dismissal. Any employee who wilfully makes any untrue allegations or makes in his disclosure of improper conduct or complaint of detrimental action a material statement which he/she knew or believed to be false or did not believe to be true may give rise to legal action on the part of the persons complained about.

6. RESPONSIBILITY FOR IMPLEMENTATION OF POLICY

Audit Committee of the Company has responsibility for the Policy. It can delegate the day-to-day responsibility to the “designated senior officer” such as Human Resources and Administration Manager and/or Company Secretary of the Company or any other authorized persons to oversee and implement the Policy. However, the Audit Committee still has responsibility for monitoring and reviewing the operation of the Policy and any recommendations for action resulting from investigation into complaints.

7. MAKING A REPORT AND REPORTING CHANNEL

The Company generally does not encourage anonymous reporting and thus all such reporting would only be considered as far as practicable. Employee can make a report in person or in writing with his/her name, full details of concerns and supporting evidence (if any). A template report (Annex I) is attached for your reference.

In person:-

Employee should raise his/her concerns to his/her division/department head. The division/department head should then raise the matter with the “designated senior officer”.

If the employee feels uncomfortable, he/she should contact the “designated senior officer” directly.

If the report involves the “designated senior officer”, the employee can report directly to the managing director of the Company. For the subsidiaries of the Company, the employee can report directly to any director of his/her respective company.

If the report involves any of the directors of the Company, the employee can report directly to the chairman of Audit Committee of the Company. For the subsidiaries of the Company, the employee can report directly to the managing director of the Company.

In writing:-

Report should be sent to the chairman of the Audit Committee or the relevant authorized person of respective company (applicable to subsidiaries) at Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong, in a sealed envelope clearly marked “Strictly Private and Confidential”.

8. INVESTIGATION PROCEDURES

The Company will acknowledge receipt of the employee's report within 5 working days.

A "designated senior officer" will be appointed to handle the report.

The Company will evaluate the report to decide if a full investigation is needed.

If there is evidence of criminal activity, the Company will refer the matter to the Audit Committee. The Audit Committee will then decide if the matter should be referred to the authorities after consultation with the legal advisers of the Company.

The Company will discuss with the relevant employee before referring the matter to the authorities except in some special situations. No further action will be taken if the matter is referred to the authorities.

Further information may be provided by the employee during the investigation process.

The "designated senior officer" will produce a final report to the Audit Committee upon completion of the investigation, with recommendations for change (if any). The Audit Committee will review the final report and recommendations will be made to the board of directors of the Company.

The investigation outcome will be sent to the employee in writing within 2 months based on the complexity of the matter. Please note that no details of the action taken or no copy of the final report will be given to the employee due to legal constraints.

If the employee is not satisfied with the investigation outcome, he/she can raise the matter again with the "designated senior officer" and investigation will be considered again if there is a good reason.

The employee can also consult his/her legal advisers.

9. POLICY TO OUTSIDERS

For the outsider such as shareholder, investor, customer, supplier who wants to raise concerns, he/she can send his/her report to the chairman of the Audit Committee at Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong, in a sealed envelope clearly marked "Strictly Private and Confidential". Investigation procedures are similar with the above paragraph 8.

10. REVIEW OF THE POLICY

This Policy will be reviewed on annual basis and as required.

