



Sinomax Group Limited

盛諾集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1418)

(the “**Company**”, together with its subsidiaries, the “**Group**”)

WHISTLE-BLOWING POLICY AND PROCEDURES

(Adopted by the Company pursuant to the resolution of the board of directors passed on 21 February 2022)

1. PURPOSE

- 1.1 The Group is committed to achieving and maintaining the highest standards of openness, integrity and accountability.
- 1.2 The Group expects and encourages its employees and persons who have dealings with the Group to report the issue when they suspect any misconduct or fraud within the Group (the “**Reported Matter**”), so that the Group may take appropriate actions in a timely manner.
- 1.3 The purpose of this policy is to provide a way to report any possible Reported Matter and to assure the whistle-blower (the “**Whistle-blower**”) that the Group will protect the same from retaliation or persecution for reporting in good faith.

2. SCOPE

- 2.1 This policy applies to all directors and employees of the Group including full-time, part-time and contract employees, as well as external parties such as customers, suppliers, consultants and any other persons who have business relations with the Group (the *Employee’s Undertaking on Ethical Practice and Integrity* is attached as Appendix II of this agreement). However, this policy is not intended to arouse any personal disputes or challenge the financial or business decisions of the Group, nor should it be applied to the filing of any matters related to employment already covered by existing grievance procedures.

2.2 Although it is not possible to exhaustively list out all the activities that constitute a Reported Matter, this policy aims to cover serious issues that may affect the Group, including but not limited to:

- (a) violation of laws or regulatory requirements;
- (b) criminal offence;
- (c) damage to the environment;
- (d) discrimination or harassment;
- (e) endanger personal health and safety;
- (f) misconduct or unethical conduct that may prejudice the reputation of the Group;
- (g) improper use of the Group's funds;
- (h) malpractice, misconduct or fraud in the Group's financial reporting, internal control or other financial matters;
- (i) injustice;
- (j) professional, ethical or other malpractice or misconduct;
- (k) violation of rules, regulations or code of conduct of the Group; and
- (l) deliberate concealment of any of the above.

3. PROTECTIVE MEASURES

Protection

- 3.1 When reporting, the Whistle-blower should take appropriate precautions to ensure the accuracy of the information.
- 3.2 The Whistle-blower who reports appropriately in accordance with this policy is protected by the Company from unfair dismissal, persecution or unwarranted disciplinary actions, even if such report is later proved false or unsubstantiated. Harassment or persecution against a genuine Whistle-blower will be regarded as serious misconduct and may lead to dismissal once confirmed.

False Accusation

- 3.3 On the other hand, the Company may take disciplinary actions against the Whistle-blower who is proved to have made false or malicious accusations. In extreme cases, the Whistle-blower who makes unreasonable or indiscriminate accusations may be subject to disciplinary actions.

4. CONFIDENTIALITY

Disclosure of Whistle-blower's Identity

- 4.1 Each report will be treated as confidential. If the Whistle-blower provides the real name, the Group will make every effort to keep the identity of the same confidential. To avoid affecting the investigation, the Whistle-blower must also keep confidential the fact that the same has made a report, the nature of the issue and the identities of the parties involved.
- 4.2 The identity of the Whistle-blower must be kept confidential except in the following cases:
 - (a) the nature of the investigation requires disclosure of the identity of the Whistle-blower, and the Group will try its best to inform the Whistle-blower that the identity of the same may be disclosed;

- (b) if the investigation leads to criminal prosecution, the Whistle-blower may need to give evidence or may be required to submit to examination by relevant authorities; and
- (c) At certain times, the Group may have to refer the matter to relevant authorities without prior notice to or consultation with the Whistle-blower.

5. PROCEDURES

5.1 Reporting

The Whistle-blower may submit a report in writing to the chairman or members of the audit committee of the Group (the standard Reporting Form is attached as Appendix I of this policy) by placing the report in a sealed envelope clearly marked “Confidential – to be opened by addressee only” and mailing it to Units 5-7, Level 20, Tower 1 MegaBox Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon.

- 5.2 The chairman or members of the audit committee should then submit a report and determine the course of action to be taken on the reported case, and they may delegate their powers.

6. INVESTIGATION PROCEDURES

Upon Receipt of a Report

- 6.1 The chairman or members of the audit committee will respond to the Whistle-blower (if contactable) in person or via the company secretary as soon as practicable upon receipt of a report by:
 - (a) confirming receipt of the report;
 - (b) informing the Whistle-blower of whether the matter will be further investigated and, as the case may be, the actions taken or being taken or the reasons for not investigating;

- (c) providing, to the extent practicable, an expected timetable for the investigation and final response; and
- (d) indicating whether any remedial or legal action has been or will be taken.

Investigation Procedures

6.2 The form and duration of investigation will vary depending on the nature and circumstances of each reported case. Where appropriate, such case can be:

- (a) investigated internally by the audit committee or any person appointed by the audit committee;
- (b) referred to and handled by external auditors and/or other external professionals as directed by the audit committee;
- (c) referred to and handled by relevant public or regulatory authorities as directed by the audit committee; and/or
- (d) handled in any other manner provided that the audit committee considers that it is in the best interests of the Group.

Reports

6.3 For the purposes of clause 6.1(a) above, progress reports prepared by the investigators (or the investigation committee) will be submitted to the audit committee from time to time. The final report together with reform proposal, if appropriate, will also be submitted to the audit committee. The audit committee will review the final report and make recommendations to the board of directors on the findings of the investigation and any reforms and actions that should be taken, if necessary.

6.4 The Whistle-blower will receive written findings of the investigation. It may not be possible to provide the Whistle-blower with details of actions taken or a copy of the final report due to legal restrictions.

Possible Findings

6.5 The possible findings of the investigation are as follows:

- (a) the allegations cannot be substantiated;
- (b) the allegations are substantiated and the following will be pursued:
 - (i) adopting rectification measures to ensure that the issue will not recur; and/or
 - (ii) taking disciplinary or appropriate actions against those who have committed misconduct; and/or
 - (iii) reporting to regulators or law enforcement authorities.

If the Whistle-blower is dissatisfied with the findings, another report can be submitted to the chairman or members of the audit committee of the Group, explaining the reason and putting forward the matter to the audit committee again. Investigators will investigate the issue of concern again if grounds are sufficient.

7. COMPLIANCE WITH LAWS AND REGULATIONS

7.1 This policy should be read in conjunction with any relevant laws, regulations, rules, directives or guidelines prescribed or promulgated by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other regulatory authority from time to time on matters governed by this policy, which is subject to the foregoing.

7.2 If any procedures set out herein have inconsistency or conflict with any relevant laws, regulations, rules, directives or guidelines or any part thereof prescribed by the Stock Exchange or any other regulatory authority, the provisions of the latter prevail to the extent of the inconsistency or conflict.

8. MAINTENANCE OF THIS POLICY

8.1 The audit committee is responsible for ensuring that this policy is maintained, regularly reviewed and updated. Amendments, revisions and changes to this policy are subject to the approval of the audit committee and the board of directors before implementation.

REPORTING FORM

APPENDIX I

The Group is committed to maintaining the highest standards of honesty, integrity and accountability. Under the principle, the Group encourages any Whistle-blower who suspects that there are illegal or unethical issues within the Group to report such issues.

The Group fully understands that those who report the issues would like to have their cases handled confidentially in most circumstances. Therefore, the Group will make every reasonable effort to avoid revealing the identity of any Whistle-blower if provided.

Please read the whistle-blowing policy carefully before completing the report. Once completed, the report will be classified as “Highly Confidential”.

Names of the persons involved (if known):
Details of the issue: Please provide full details of your issue of concern: name, date, location, reason for the concern (on separate sheets if necessary) and any supporting evidence.

Details of the Whistle-blower (optional):	
Name (optional):	
Position (optional):	
Department/Company name (optional):	
Telephone number (optional):	
Email (optional):	
Address (optional):	

Signature: _____

Date: _____

EMPLOYEE'S UNDERTAKING ON ETHICAL PRACTICE AND INTEGRITY

APPENDIX II

1. PURPOSE

In order to establish a good corporate image, promote honesty and integrity, jointly create a fair, orderly and efficient working environment, and correctly exercise the powers of office conferred by Sinomax Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), continuously strengthen self-discipline awareness, enhance self-control and prevent violation of regulations and discipline in my mindset and at source, I hereby make an undertaking on ethical practice and integrity as follows:

2. UNDERTAKING

I will make greater efforts to conscientiously study national laws and regulations and the Company's relevant protocols and systems, study the relevant integrity principles of the Company's management personnel, safeguard the Company's interests, work with dedication and be a qualified employee who understands management and abides by rules.

- 2.1 I will not take advantage of my office to receive rebates; embezzle, steal, defraud or otherwise defalcate the Company's property; misappropriate the Company's funds; or accept or demand undue benefits, including but not limited to entertainment, advantage or gain by misuse of office such as intentionally making things difficult for others.
- 2.2 I will strictly prevent improper conduct of business bribery and disorderly business conduct, such as demanding or receiving gifts, cash, rebates, securities or valuables from suppliers and customers, and will not reimburse from other companies any personal expenses borne.
- 2.3 I will not accept cash, referral fees (i.e. red packets), things in kind (i.e. gifts), etc. under the disguise of agency fees, placement fees, service fees, promotion fees, advertising fees, publicity fees, sponsorship fees, discounts and commissions, etc., or gain benefits from the other party through ancillary gifts such as gambling or lottery.

- 2.4 For the work I am in charge of, I will act in accordance with the procedures, and will not seek personal gains by abuse of office, engage in impartial acts or malpractice, form cliques, abuse personal relationships or networking, privately engage in various personal paid agency activities by misuse of office, or secure convenience, concessions and benefits for myself and close relatives in work and business.
- 2.5 When conducting business transactions, I will ensure the principles of openness, fairness and impartiality, strictly control quality and price, and obtain quotations from at least three parties. I will not seek personal gains by misuse of office, prevent malpractice such as taking inferior products as superior products or purchase low-priced products at high prices. I will not obtain personal benefits in any form, and will not conduct transactions with suppliers and customers without authority before going through the Company's approval procedures.
- 2.6 I will not use the Company's resources, business channels, trade secrets and intellectual property, etc. to engage in profit-making activities or transfer benefits for myself or others and relatives.
- 2.7 I will not appropriate or privately give out the discounts, commissions, cash, gifts, etc. from the Company's business dealings with suppliers and customers.
- 2.8 I will not obtain items related to the Company's business dealings at prices significantly lower than the market prices.
- 2.9 I will not engage in things that have conflict of interest with the Group or its affiliated companies and will not hold positions or part-time jobs in or receive remuneration from companies other than the Group or its affiliated companies.
- 2.10 I will not engage in business activities that prejudice the interests of the Company, invest in shares of companies with similar business or business relations with the Group and its affiliated companies or receive such shares with nil consideration.

2.11 For business dealings with customers (personal-to-corporate, personal-to-personal, corporate-to-personal and corporate-to-corporate), I will observe the integrity system of both companies. If the other company or its employees are found to have committed acts violating integrity, I will take timely measures to stop the continued occurrence of the same and submit a report to the Company's supervisors and leaders. For grave circumstances, I may lodge a complaint with or submit a report to the president's office.

2.12 I will strictly enforce the requirements of the Company's honesty and integrity management system and the terms of the Employee's Undertaking on Ethical Practice and Integrity. If I violate the provisions of this undertaking, I agree to accept, including but not limited to, the following handling measures of the Company: criticism and education, demotion or dismissal, termination of employment contract/agreement, etc.; and I am willing to assume any compensation liability for economic loss incurred by the Company.

3. VALIDITY

This undertaking is an attachment to the Employment Contract and Provisions on Employee's Ethical Practice and Integrity signed by both parties, with the same legal effect as the above two documents. This undertaking is in duplicate, with each party holding one copy.

I hereby make this undertaking!

Person making this undertaking:

Identity card number:

Date: