



## **SHIN HWA WORLD LIMITED**

**神話世界有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock code: 00582)**

**(the “Company”)**

### **Whistleblowing Policy**

*(adopted by the Board on 27 July 2022)*

#### **POLICY**

We are committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect and encourage you, our employees, who have concerns about any suspected misconduct or malpractice within the company to come forward and voice those concerns.

While we could not guarantee that we will handle the report in the way you might wish, we will endeavour to respond to your concerns fairly and properly.

#### **SCOPE**

This Policy applies to all employees of the Group as well as independent third parties who deal with the Group.

#### **PROTECTION AND SUPPORT FOR WHISTLEBLOWERS**

Persons making appropriate complaints under this Policy are assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated.

Persons who victimise or retaliate against those who have raised concerns under this Policy will be subject to disciplinary action.

#### **RESPONSIBILITY FOR IMPLEMENTATION OF POLICY**

The audit committee of the Board (the “**Audit Committee**”) has overall responsibility for this Policy, but has delegated day-to-day responsibility for overseeing and implementing it to the designated senior officer: Company Secretary. Responsibility for monitoring and reviewing the operation of this Policy and any recommendations for action resulting from investigation into complaints lies with the Audit Committee.

Management must ensure that all employees feel able to raise concerns without fear of reprisals. All employees should ensure that they take steps to disclose any misconduct or malpractice of which they become aware. If you have any questions about the contents or application of this Policy, you should contact the designated senior officer: Company Secretary.

## **MISCONDUCT AND MALPRACTICE**

It is impossible to give an exhaustive list of the activities that constitute misconduct or malpractice but broadly speaking, we would expect you to report the following:

- (a) A criminal offence;
- (b) A failure to comply with any legal obligations;
- (c) A miscarriage of justice;
- (d) A financial impropriety;
- (e) An action which endangers the health and safety of any individual;
- (f) An action which causes damage to the environment;
- (g) The deliberate concealment of information concerning any of the matters listed above.

While we do not expect you to have absolute proof of the misconduct or malpractice reported, the report should show the reasons for the concerns. If you make a report in good faith then, even if it is not confirmed by an investigation, your concerns would be valued and appreciated.

## **FALSE REPORT**

If you make a false report maliciously, with an ulterior motive, without reasonable grounds that the information in the report is accurate or reliable, or for personal gain, you may face disciplinary action, including the possibility of dismissal.

## **MAKING A REPORT**

You can make a report verbally or in writing in the standard report form attached to this Policy as Annex I. We would normally expect you to raise your concerns internally to your line manager (or his or her superior) within the department.

If you feel uncomfortable doing this, for example, your line manager has declined to handle your case or it is the line manager who is the subject of the report, then you should contact designated senior officer: Company Secretary.

If the report is extremely serious or in any way involves the designated senior officer, you should report it directly to the Chairman of the Audit Committee.

In case you feel uncomfortable reporting it internally, you could report to independent person or organisation with contact details, who is trained in dealing with such matters.

In the report, you should provide full details and, where possible, supporting evidence.

## **CONFIDENTIALITY**

We will make every effort to keep your identity confidential. In order not to jeopardise the investigation, you should also keep the fact that you have filed a report, the nature of your concerns and the identity of those involved confidential.

There may be circumstances in which, because of the nature of the investigation, it will be necessary to disclose your identity. If such circumstances exist, we will endeavour to inform you that your identity is likely to be disclosed. If it is necessary for you to participate in an investigation, the fact that you made the original disclosure will, so far as is reasonably practicable, be kept confidential. However, it is also possible that your role as the whistleblower could still become apparent to third parties during investigation.

Equally, should an investigation lead to a criminal prosecution, it may become necessary for you to provide evidence or be interviewed by the authorities. In these circumstances, we will, once again, endeavour to discuss with you the implications for confidentiality.

You should, however, know that in some circumstances, we may have to refer the matter to the authorities without prior notice or consultation with you.

## **ANONYMOUS REPORT**

We respect that sometimes you may wish to file the report confidentially. However, an anonymous allegation will be much more difficult for us to follow up simply because we will not be able to obtain further information from you and make a proper assessment.

We generally do not encourage anonymous reporting and encourage you to come forward with your concerns.

## INVESTIGATION PROCEDURES

For quick reference, please refer to the flowchart in Annex II.

We will acknowledge receipt of your report within 5 working days confirming that:

- ✓ Your report has been received;
- ✓ The matter will be investigated;
- ✓ Subject to legal constraint, you will be advised of the outcome in due course.

A designated senior officer: Company Secretary will be appointed to manage the report.

We will evaluate every report received to decide if a full investigation is necessary. If an investigation is warranted, an investigator (with suitable seniority and without previous involvement in the matter) from the internal audit or compliance department will be appointed to look into the matter.

Where the report discloses a possible criminal offence, we will refer the matter to the Audit Committee. The Audit Committee, in consultation with our legal advisers, will decide if the matter should be referred to the authorities for further action.

As stated under the section ‘Confidentiality’, in most cases, we will endeavour to discuss with you before referring a matter to the authorities. However, in some situations, we may have to refer the matter to the authorities without prior notice or consultation with you.

Please note that once the matter is referred to the authorities, we will not be able to take further action on the matter, including advising you of the referral.<sup>1</sup>

You may be asked to provide more information during the course of the investigation.

The investigation report will be reviewed by a code of conduct committee comprising a designated executive Director, the Company Secretary and the internal audit department.

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<sup>1</sup> For example, section 30 of the Prevention of Bribery Ordinance (Cap. 201) would prevent us from disclosing to the public that a particular person is the subject of an investigation by the Independent Commission Against Corruption. Within the anti-money laundering regime, section 25A(5) of the Organized and Serious Crimes Ordinance (Cap. 455) provides that following the filing of a suspicious transaction report to an authorised officer or to the appropriate person in accordance with the procedure established by employers, it is an offence for a person to disclose to any other person any matter which is likely to prejudice any investigation which might be conducted. See also Tipping-off, Anti-Money Laundering and Counter-Terrorist Financing Guidelines.

Possible outcomes of the investigation:

- (a) The allegation could not be substantiated;
- (b) The allegation is substantiated with one or both of the following:
  - (i) Corrective action taken to ensure that the problem will not occur again;
  - (ii) Disciplinary or appropriate action against the wrongdoer.

A final report, with recommendations for change (if appropriate), will be produced to the Audit Committee. The Audit Committee will review the final report and make recommendations to the Board.

You will receive in writing the outcome of the investigation. Because of legal constraints, we will not be able to give you details of the action taken or a copy of the report.

Subject to the nature and complexity of the matter, we expect to complete the investigation and provide you with the outcome in 3 months.

If you are not satisfied with the outcome, you could raise the matter again with the designated senior officer: Company Secretary. You should make another report explaining why this is the case. If there is good reason, we will investigate into your concerns again.

You could, of course, raise the matter with an external authority such as a regulator or a law enforcement agency. Please ensure that you have sufficient evidence to support your concerns. Before reporting your concerns externally, we encourage you to discuss with designated senior officer: Company Secretary.

You could also consult your legal advisers.

## **MONITORING THE WHISTLEBLOWING POLICY AND PROCEDURE**

The use and effectiveness of this Policy will be monitored and reviewed regularly by designated senior officer: Company Secretary.

## **LANGUAGE**

This Policy is prepared in both Chinese and English languages. In case of any discrepancies between the Chinese and English versions, the English version shall prevail.

**ANNEX I  
WHISTLEBLOWING REPORT FORM  
CONFIDENTIAL**

We are committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees who have concerns about any suspected misconduct or malpractice within the company to come forward and voice those concerns.

It is recognised that in most cases the person raising concerns will wish to be dealt with on a confidential basis. All reasonable efforts will therefore be made to avoid revealing the person's identity.

If you wish to make a written report, please use this report form. Once completed, this report becomes confidential.

<p>Your Name/Contact Telephone Number and Email</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: _____ Address: _____ _____ Tel No: _____ Email: _____ Date: _____</p>
<p>The names of those involved (if known):</p>	
<p>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.</p>	

**CONFIDENTIAL**

## ANNEX II INVESTIGATION PROCEDURES

