



# CHINA NEW CITY COMMERCIAL DEVELOPMENT LIMITED

## 中國新城市商業發展有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1321)**

### WHISTLEBLOWING POLICY

**(Amended and restated with effect from 01 January 2016)**

#### 1. Purpose

China New City Commercial Development 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. The formation of this policy is aimed to increase the awareness of maintaining internal corporate justice and regard this as a kind of internal control mechanism. This policy provides the employees or any other persons (such as suppliers, customers, shareholders or other stakeholders) with reporting channels and guidance on whistleblowing.

#### 2. Scope

The term ‘whistleblowing’ refers to a situation where any employee or other persons decides to report serious concerns about any malpractice which he/she has become aware of or genuinely suspects that the Group has been or may become involved in. This policy is implemented in all Group of companies worldwide.

#### 3. Policy

This policy covers any good faith complaint or concern with respect to the Group, of any employee or other person, in connection with:

- Breach of legal or regulatory requirements;
- Criminal offences, breach of civil law and miscarriage of justice;
- Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters
- Endangerment of the health and safety of an individual
- Damage caused to the environment
- Violation of rules of conducts applicable within the Group
- Improper conduct or unethical behavior likely to prejudice the standing of the Group
- Deliberate concealment of any of the above

### 3.1 Protection and Confidentiality

The Group will make every effort treating all disclosures in a confidential and sensitive manner after any employee or any other person reports concern about any of the above matters. The identity of the reporting person making the allegation will not be divulged without the reporting person's consent. However, there may be circumstances in which the Group may be required or legally obliged to reveal the reporting person's identity, for example, where an investigation leads to legal proceedings being initiated. If this is the case, the Group will take all reasonable steps to ensure that the reporting person suffers no detriment. Harassment or victimization of a genuine whistle blower will be treated as gross misconduct, which if proven, may result in dismissal.

### 3.2 Untrue Allegations

In making a disclosure, the reporting person should exercise due care to ensure the accuracy of the information. If the employee is mistaken, the reporting person will not be at risk of suffering any form of retribution as a result provided that he/she is acting in good faith and reasonable manner. On the other hand, disciplinary action may be taken against the reporting person who is proven to raise false and malicious allegations deliberately. If established, vexatious or wild allegations could give rise to legal action on the part of the persons complained about.

## 4. Procedure

### 4.1 Reporting Channel

- (I) Employee who has a legitimate malpractice concern can inform the respective head of department ("**Head of Department**") of the concern. The Head of Department should then raise the matter with the Chief Executive Officer ("**CEO**") of the Company. If the concern involves the Head of Department, or for any reason the employee would prefer the Head of Department not to be told, the employee may raise the matter direct with the CEO. If the concern involves the CEO, or any directors of the Company, the employee can report directly to the chairperson of the audit committee ("**Chairperson of the Audit Committee**") of the Company. The Chairperson of the Audit Committee will review the complaint and decide how the investigation should proceed.

If for any reason the employee would prefer not to raise the malpractice concern with the Head of Department and the CEO, the employee may take the complaint direct to the Chairperson of the Audit Committee.

- (II) Other person who wishes to report a complaint or concern may raise the matter direct with the Chairperson of the Audit Committee.

## 4.2 Reporting Format

Disclosures, with all relevant information, evidences and supporting documents, can be made in person or in writing. If the disclosure is made in writing, it should be sent to the Head of Department at his/her office or the CEO or the Chairperson of the Audit Committee as appropriate at Rooms 4003-4, 40<sup>th</sup> Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, in a sealed envelope clearly marked “Strictly Private and Confidential – To be Opened by Addressee” to ensure the confidentiality. **Reporting persons are required to put their name to any disclosures they make. Anonymous complaints would usually not be considered.** The Group will hold it a serious disciplinary offence for any person to seek to prevent a communication of malpractice concern reaching to the CEO or the Chairperson of the Audit Committee, or to impede any investigation which he/she or anyone on his/her behalf may make. If there is evidence of criminal activity, activity on solicitation and acceptance of advantages or breach of legal and regulatory requirements, the party responsible for the internal investigation may legally be obliged to inform the relevant public or regulatory bodies such as the police, the Independent Commission Against Corruption, the Security and Futures Commission and etc., as appropriate.

## 4.3 Investigation Procedure

The format and the length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. The matters raised may:

- be investigated internally by an appropriate officer;
- be referred to the relevant public or regulatory bodies;
- be referred to the External Auditor; and/or
- form the subject of an independent inquiry.

The CEO, the Chairman of the Audit Committee or the person designated to investigate the complaint will write to the complainant wherever reasonably practicable of the concern being received:

- acknowledging that the concern has been received;
- advising the complainant whether any initial enquiries have been made and the related results, where appropriate and if available;
- advising whether or not the matter is to be investigated further and if so what the nature of the investigation will be and the estimated duration
- providing the justification if no further investigations will take place.

Along the investigation, further assistance from the complainant may be required from time to time. Confidential records will be kept for at least 7 years for all matters raised through this policy.

*Note: If there is any inconsistency between the English and Chinese versions of this policy, the English version shall prevail.*