



# **HONG FOK CORPORATION LIMITED**

**(Company Registration No.: 196700468N)**

## **WHISTLE-BLOWING POLICY**

**1 OCTOBER 2014  
(UPDATED ON 13 AUGUST 2021)**

# Hong Fok Corporation Limited

## Whistle-Blowing Policy

### 1. GENERAL

As part of ongoing efforts to promote good corporate governance practice, Hong Fok Corporation Limited (the “**Company**”) and its subsidiaries (collectively known as the “**Group**”) have provided an independent and confidential channel for employees to raise concerns about, *inter alia*, misconduct or wrongdoing relating to the Group and its officers, unethical practices, possible improprieties in matters of financial reporting or other matters (collectively known as “**Non-Compliances**”) in good faith and confidence, without fear of reprisals or victimization (“**Whistle-Blowing Policy**”). This Whistle-Blowing Policy sets out the procedures for a Whistle-blower (as defined below) to make a report to the Company on matters including misconduct or wrongdoing relating to the Group and its officers.

### 2. PURPOSE OF POLICY

The purpose of this Whistle-Blowing Policy is to encourage employees to feel confident in raising, questioning and acting upon their serious concerns on Non-Compliances/potential Non-Compliances (“**Complaints**”), without having to fear reprisals and victimization for doing so. This helps to develop a culture of good governance, openness, accountability and integrity.

At the same time, this Whistle-Blowing Policy enables the management to be informed at an early stage about Non-Compliances, which enables them to conduct full and prompt investigation of the same and follow up appropriately. The Company is committed to ensure that employees will be protected against detrimental or unfair treatment or reprisal for whistle-blowing in good faith. Victimization of the Whistle-blower (as hereinafter defined) is viewed seriously and will not be tolerated and anyone found guilty of this will be disciplined. The Company assures that all information and reports are received confidentially to protect the identity and the interest of all employees who express their concerns and/or report and disclose improper or illegal activities (“**Whistle-blowers**” or each a “**Whistle-blower**”).

### 3. SCOPE OF NON-COMPLIANCES

The Whistle-Blowing Policy not only covers financial reporting and questionable accounting practices, but also criminal offences, unlawful acts, fraud, corruption, bribery and blackmail; failure to comply with legal or regulatory obligations; unsafe work practices or substantial wasting of company resources, and/or concealment of any of the above. Some examples of Non-Compliances are as follows:

- Cheating, theft and other dishonest acts.
- Deploying company funds for illegal, improper or unethical purposes (for example, misappropriation of Group’s funds, assets or corporate information, bribes, kickbacks or misdirecting funds to related parties).

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- Tampering with company documents (in any format, including electronic records such as emails).
- Destroying or disposing of accounting or audit related documents except as otherwise permitted or required by the Group's records retention policy.
- Deliberate errors or concealment in the preparation, evaluation, review or audit of financial statements of company or companies in the Group.
- Deliberate errors in the recording and maintaining of financial records (for example, inflating expense reports, preparing erroneous invoices, misstating inventory records, or describing an expenditure for business purpose when, in fact, the expenditure is made for other non-business related purposes).
- Non-compliance with or circumventing established limits of authority and standard operating procedures.
- Violation of laws and regulations.
- Breach of the Group's policies and codes of conduct.
- Discrimination against or preferential treatments to individual employee.
- Any form of harassment.
- Unsafe work practices.
- Abuse of power or authority.
- Information relating to any of the above is being deliberately concealed or attempts are being made to conceal the same.

The Whistle-Blowing Policy is intended to address issues such as personal grievances or feedback involving improvements on policies or procedures.

#### **4. SCOPE OF APPLICATION TO EMPLOYEES**

This Whistle-Blowing Policy is extended to all individuals in employment within the Group. For the avoidance of doubt, employees are not confined to those to whom the provisions of the Singapore Employment Act (Cap. 91) apply.

#### **5. POLICY OVERVIEW**

The Audit and Risk Management Committee of the Company ("**ARMC**") is responsible for the oversight and monitoring of the procedures for a Whistle-blower to make Complaints and for the investigation of Complaints, including the execution and review of the Whistle-Blowing Policy.

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The Company has designated the ARMC as the independent function to investigate Complaints made in good faith.

The ARMC Chairman shall handle the following functions:

- Receive Complaints
- Preliminary review of the Complaints
- Report valid Complaints to the ARMC
- Oversee the setting up and maintenance of a Complaints Register

The ARMC may delegate the execution of certain functions such as the administration of this Whistle-Blowing Policy to appropriate parties and the ARMC may, on a case-by-case basis, request that appropriate parties provide assistance on the investigation of Complaints.

### **6. PROCEDURE FOR HANDLING A COMPLAINT**

#### **6.1 Submission of Complaint**

Any employee within the Group can lodge a Complaint by sending the same to the ARMC Chairman.

The email address for lodging Complaints is:

**[wb@hongfok.com.sg](mailto:wb@hongfok.com.sg)**

A sample format of a Complaint is attached as Annex 1. The Complaint should include details of the parties involved, dates or period of time, the type of concern, evidence substantiating the complaint, where possible, and contact details, in case further information is required.

Employees are encouraged to disclose their identities when submitting Complaints. Complaints raised anonymously are much less persuasive and may hinder investigation work as it is difficult to make further queries or to protect the Whistle-blower's position. The Company will ensure that the identities of Whistle-blowers will be kept confidential unless there are valid reasons for not doing so. For example, it is required by law, order or direction of any court, regulatory body or stock exchange to disclose the identities of the employees.

All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations.

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### **6.2 Review and Investigation of Complaint**

Upon receipt of the Complaint, the ARMC Chairman shall perform a preliminary review of the Complaint within a reasonable timeframe. Based on the results of this preliminary review, the ARMC Chairman shall decide if the Complaint is valid and within the scope of this Whistle-Blowing Policy. Should the Complaint be valid and within the scope of this Whistle-Blowing Policy, the ARMC Chairman will report the Complaint to the ARMC.

The ARMC will review the facts of the Complaint and may take the following courses of action:

- Conduct further investigations on its own or engage relevant third parties; or
- Instruct relevant management or engage relevant third parties to take remedial actions as it deems appropriate; or
- Take any other action it deems in the best interests of the Group; or
- Decide that no further action is required.

The ARMC may also report to the Board for approval should the ARMC deems it necessary to report the Complaint to the relevant authorities.

Depending on the nature of the Complaint, the subject of the Complaint may be informed of the allegations against him or her and be given an opportunity to refute such allegations. Where the subject of the Complaint or the complainant is an employee and fails to cooperate in an investigation, or deliberately provides false information during an investigation, he or she may be subject to strict disciplinary action up to, and including, immediate dismissal.

### **6.3 Receipt, Record and Retention of Complaint**

The ARMC shall maintain a Complaints Register to record all Complaints received and the remedial action taken. This register shall be made available for inspection upon request approved by the ARMC.

Issued by  
Audit and Risk Management Committee  
Hong Fok Corporation Limited  
Date: 1 October 2014 (Updated on 13 August 2021)

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Annex 1

## Format of Complaint

### 1. Company information

Name of your operating company/corporate staff department:

Address:

Country:

### 2. Personal information

Your name:

Your preferred phone number:

Your preferred e-mail address:

Best time for communication with you:

Best way of communication with you: Phone/Email/In person with you

### 3. Report of contravention

Which areas of concern would you like to raise? (include details of non-compliances with code of conduct)

Do you have a serious suspicion or are you sure?  
Serious suspicion/ I am sure

Please state your reasons for believing that the non-compliance took place/will take place.

When did it occur?

Where did it occur?

Who are, in your opinion, the persons involved?

- 1.
- 2.
- 3.

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What is, in your opinion, the potential damage (financially or otherwise) to the company or other interested parties?

Do you think it will happen again? If your answer is Yes, please state why.  
Yes/No

### **4. Personal action**

How did you become aware of the situation?

How do you know the people involved?

Have you reported the situation to the line supervisor(s) first?

If no, why not:

If yes, the outcome was:

Do you know of any other person(s) who are aware of the situation, not being personally involved?

Yes/No

Do you have any physical evidence, which can be handed over?

Yes/No