

ANXIAN YUAN CHINA HOLDINGS LIMITED

安賢園中國控股有限公司*

(Incorporated in Bermuda with limited liability)

WHISTLEBLOWING POLICY

** For identification purposes only*

WHISTLEBLOWING POLICY

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1. EFFECTIVE DATE

- 1.1 This policy was established on 30 June 2022 pursuant to a resolution passed on the same day by the board of directors (the “Board of Directors”) of Anxian Yuan China Holdings Limited (the “Company”).

2. PURPOSE

- 2.1 This policy applies to the Company and its subsidiaries (collectively, the “Group”).
- 2.2 The Group is committed to maintaining good corporate governance, emphasizing accountability and a high degree of openness, probity and transparency which enables our stakeholders to have trust and faith in the Group to take care of their needs and to fulfill its social responsibility. In line with this commitment, the Group expects its employees at all levels to conduct themselves with integrity, impartiality and honesty and encourages its employees and other parties who deal with the Group (e.g. customers, contractors, suppliers, creditors and debtors, etc.) (“Other Stakeholder(s)”) to report any misconduct, malpractice or irregularity within the Group.
- 2.3 This policy aims to provide reporting channels and guidance on reporting possible improprieties in matters of financial reporting or other matters, and reassurance to persons reporting his or her concerns under this policy (“Whistleblower(s)”) of the protection that the Group will extend to them against unfair disciplinary action or victimization for any genuine reports made.

3. GENERAL POLICY

- 3.1 “Whistleblowing” refers to a situation in which an employee or Other Stakeholder decides to report legitimate and serious concerns about any suspected misconduct, malpractice or irregularity within the Group. See Section 4 of this policy for examples of misconducts, malpractices or irregularities. This policy is intended to encourage and assist the Whistleblowers in disclosing information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel (to the largest extent possible). The Group will handle the reports with care and will treat the Whistleblowers’ concerns fairly and properly.

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4. MISCONDUCT, MALPRACTICE AND IRREGULARITY

- 4.1 It is impossible to give an exhaustive list of the activities that constitute misconduct, malpractice or irregularity covered by this policy. The Group expects all employees and Other Stakeholders to observe and apply principles of ethics in the conduct of the Group's business or in dealing with the Group respectively. Behavior that is not in line with the principles of ethics could constitute a misconduct, malpractice or irregularity that should be reported.
- 4.2 The principles of ethics include but are not confined to:
- No fraudulent or corrupt conduct;
 - Compliance with the Group's policies and procedures (e.g. the Employee Handbook);
 - Compliance with laws, rules and regulations;
 - Compliance with financial controls and reporting requirements;
 - Protection of information, records and assets;
 - Protection of the health and safety of an individual;
 - No improper conduct or unethical behavior likely to prejudice the standing of the Company;
 - Prompt response to incidents and obligation to notify;
 - Compliance with health, safety and environment requirements;
 - No harmful, discriminatory or retaliatory action taken against a Whistleblower for having made a report under this policy; and
 - No deliberate concealment of information concerning any of the matters listed above.
- 4.3 Please note that complaints related to customer service or products, as well as loss of properties on the Group's premises or under the Group's custody, are normally not reported under this policy, unless they involve misconduct, malpractice or irregularity as listed above. Otherwise, they are separately handled by the relevant functions (e.g. customer reception center or security) of the Group.

5. PROTECTION FOR WHISTLEBLOWERS

- 5.1 Whistleblowers making genuine and appropriate reports are assured of fair treatment. In addition, employees of the Group are also assured of protection against unfair dismissals, victimization or unwarranted disciplinary action.
- 5.2 The Group reserves the right to take appropriate actions against anyone (employees or Other Stakeholders) who victimize, initiates or threatens to initiate retaliation against the Whistleblowers. In particular, employees who initiate or threaten retaliation will be subject to disciplinary actions, which may include summary dismissal.

6. CONFIDENTIALITY

- 6.1 The Group will make every effort to keep the Whistleblower's identity confidential. In order not to jeopardize the investigation, the Whistleblower is also required to keep confidential the fact that he or she has filed a report, the nature of their concerns and the identities of those involved.
- 6.2 There may be circumstances in which, because of the nature of the investigation or when the Company is legally obliged to make such disclosure, it will be necessary to disclose the Whistleblower's identity. If such circumstances exist, the Group will endeavor to inform the Whistleblower in advance that his or her identity is likely to be disclosed.
- 6.3 Should an investigation lead to a possibility of criminal prosecution, it may become necessary for the Whistleblower to provide evidence or be interviewed by relevant law enforcement authorities. The Group will take all reasonable steps to ensure proper preservation of all potential evidence in any suspected criminal offences reported and avoid actions which may alert the alleged perpetrator during investigation.
- 6.4 The Group has the sole discretion that in some circumstances, the Group may have to refer the matter to relevant law enforcement authorities without prior notice or consultation with the Whistleblower.

7. REPORTING CHANNELS

- 7.1 In general, the Whistleblowers should make their reports to the audit committee of the Company (the "Audit Committee") in writing by post in a sealed envelope clearly marked "To be opened by addressee only" at: -
- To: Audit Committee
Anxian Yuan China Holdings Limited
Room 1215, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong***
- 7.2 A report may also be submitted to the Audit Committee via the email address at: audit.committee@anxianyuanchina.com.
- 7.3 To facilitate the handling of the reports, a standard template (i.e. Whistleblowing Report Template) is attached in Appendix 1 to this policy for reference.
- 7.4 While the Group does not expect the Whistleblower to have absolute concrete proof of the misconduct, malpractice or irregularity reported, the report made under this policy should at least show the reasons for the concerns.
- 7.5 Any business units or functions in receipt of a report alleging any of the misconduct, malpractice or irregularity as stated in Section 4 of this policy shall redirect the report to the Audit Committee. The Audit Committee will handle such report in the same manner as stipulated in this policy.
- 7.6 This policy will be disclosed on the Company's website at www.anxianyuanchina.com.

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8. ANONYMOUS REPORT

8.1 As the Group takes reporting of misconducts, malpractices and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, anonymous reports in general may not be acted upon. Therefore, it is strongly recommended that the report should not be made anonymously.

9. INVESTIGATION

9.1 Upon receipt of a report through the channels as described in Section 7 of this policy, the Audit Committee will acknowledge receipt of such report within 5 working days, evaluate the validity and relevance of the concerns raised, and decide if a full investigation is necessary. If an investigation is warranted, the Audit Committee will look into the reported matter in detail.

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

- be investigated internally;
- be referred to the external auditors;
- be referred to the relevant public bodies or regulatory/law enforcement authorities; and/or
- form the subject of any other actions as the Board of Directors may determine to be in the best interest of the Group.

9.3 If there is sufficient evidence to reasonably suggest that a case involving a possible criminal offence or element of corruption exists, after consulting the legal advisers of the Company, the matter will be reported by the Audit Committee to the relevant local authorities as soon as reasonably practicable (for instance, the Independent Commission Against Corruption in Hong Kong, the Public Security Bureau in China, etc.). An internal inquiry shall not jeopardize any future investigation by the relevant local authorities.

9.4 In some situations (e.g. in the case of a possible criminal offence), the Audit Committee may have to refer the matter together with the relevant information to the relevant authorities. Please note that once the matter is referred to the relevant authorities, the Group will not be able to take further action on the matter.

9.5 Upon completion of the investigation, a report, including the impact of the matter reported by the Whistleblower and an action plan, as applicable, will be prepared without revealing the identity of the Whistleblower. For confirmed violations of relevant principles of ethics, the normal process is for the responsible line management to determine what disciplinary and other appropriate actions are needed. After a review by the Audit Committee, a recommendation will be made to the Board of Directors for a final decision on the actions required.

9.6 The Whistleblower will be informed of the final results of the investigation in writing, whenever and wherever reasonably practicable. If the Whistleblower is not satisfied with such results, he/she could raise the matter again with the Audit Committee. If there is good reason, the Audit Committee will investigate into the concern again.

10. UNTRUE REPORT

10.1 If a Whistleblower, unless being genuinely mistaken, makes an untrue report maliciously, with an ulterior motive or for personal gain, the Group reserves the right to take appropriate actions against any relevant person (including the Whistleblower) to recover any loss or damage caused as a result of the untrue report. In particular, employees may face disciplinary action, including dismissal where appropriate.

11. RECORD RETENTION

11.1 Records shall be kept for all reported misconducts, malpractices and irregularities within the Group under Section 7 of this policy. In the event that a reported case leads to an investigation, the Audit Committee shall ensure that all relevant information relating to the case is retained, including details of corrective actions taken for a period not exceeding seven years (or whatever other period as may be specified by any relevant legislation).

12. RESPONSIBILITY FOR IMPLEMENTATION AND MONITORING

12.1 This policy has been approved and adopted by the Board of Directors. The Board of Directors has an overall responsibility for the implementation, monitoring and periodic review of this policy. In addition, the Board of Directors has delegated the day-to-day responsibility for administration of this policy to the Audit Committee.

13. REVISIONS OF POLICY AND PROCEDURES

13.1 The Board of Directors shall be vested with the full power to review, update and revise this policy and to delegate such power to any person as it thinks fit.

WHISTLEBLOWING POLICY

(Version 1.0)

APPENDIX 1. WHISTLEBLOWING REPORT TEMPLATE

TO BE OPENED BY ADDRESSEE ONLY

The Group is committed to maintaining good corporate governance, emphasizing accountability and a high degree of transparency which enables our stakeholders to have trust and faith in the Group to take care of their needs and to fulfill its social responsibility.

The Whistleblowing Policy has been established to encourage and assist Whistleblowers in disclosing information relevant to misconducts, malpractices or irregularities through a confidential reporting channel (to the largest extent possible). The Group will handle this report with care and will treat the Whistleblower's concerns fairly and properly.

If you wish to make a report, please use this report template. Once completed, this report becomes confidential. You may send the report, in a sealed envelope clearly marked "To be opened by addressee only" and addressed to the Audit Committee by post to the relevant address below or by email to audit.committee@anxianyuanchina.com.

Please read the Whistleblowing Policy carefully before you fill in this template. You are deemed to have read and agreed to the terms of the Whistleblowing Policy upon sending the report to the Audit Committee.

To: Audit Committee	
Hong Kong Office Anxian Yuan China Holdings Limited Room 1215, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	
Your Name/Contact Telephone Number and Email Anonymous reports in general may not be acted upon. Therefore, it is strongly recommended that the report is not made anonymously.	Name: _____ Employee <input type="checkbox"/> Other Stakeholder <input type="checkbox"/> (please specify: _____) Address: _____ Tel No: _____ Email: _____ Date: _____
Details of concerns: Please provide full details, such as names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence.	
<u>Personal Information Collection Statement</u> <i>All personal data collected will only be used for purposes which are directly related to the whistleblowing case you reported. Any anonymous reports not supplying such personal data in general may not be acted upon. Therefore, it is strongly recommended that the report should not be made anonymously. The personal data submitted will be held and kept confidential by the Group, but with the consent of the Whistleblower or where the Group is legally obliged to do so, may be transferred to parties with whom we will contact during our handling of this case, including the party being complained against or other relevant parties concerned. The information provided may also be disclosed to law enforcement authorities or other concerned units. Where relevant, under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), you shall have the right to request access to and correction of your personal data. If you wish to exercise these rights, requests should be made in writing to the Audit Committee at the Hong Kong address shown in this template.</i>	