

Ever Glory United Holdings Limited
and its Subsidiaries

POLICIES AND PROCEDURES
WHISTLEBLOWING

1. INTRODUCTION

The Company is committed to maintaining the best employment practices and the highest standards of openness, probity, accountability and corporate governance. To achieve accountability and transparency, the Company is adopting a programme which provides a mechanism to enable employees of the Company and its subsidiaries from time to time (collectively known as the “Group”), to communicate their concerns over fraudulent activities, malpractices or improprieties within the Group, in a responsible and effective manner.

The Programme is designed to provide guidance to employees of the Group, to enable them to raise concerns internally, and at a high level and to disclose information which the individual believes involves malpractice or impropriety. When an individual discovers information which he/she believes involves serious malpractice or impropriety within the Group, then this information should be disclosed internally without fear of reprisal. This Programme sets out the arrangements to enable this to be done independently of line management.

It should be emphasised that this Programme is intended to assist individuals who believe they have discovered fraudulent activities, malpractices or improprieties. It is not designed to question financial or business decisions taken by the Company nor should the Company use it to reconsider any matters which have already been addressed under harassment, complaint, disciplinary or other procedures. Once the “whistle-blowing” procedures are in place, it is reasonable to expect employees to use them rather than voice their complaints outside the Group.

2. POLICY STATEMENT AND SCOPE OF THE PROGRAMME

The Company encourages its officers and employees of the Group to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the Company, they must practice honesty and integrity and comply strictly with all applicable laws, rules and regulations.

In its pursuit of good corporate governance, the Company encourages its officers, employees, vendors/contractors, consultants, suppliers and/or any other parties with whom the Group has a relationship, to provide information that evidences unsafe, unlawful, unethical, fraudulent or wasteful practices. Towards this end, the Company will protect the whistle-blower from any form of retaliation, harassment, adverse employment consequences or other discriminatory acts for providing information relative to violations of Company policies, rules and regulations.

3. OBJECTIVES

The objectives of the Programme are:

- To communicate the Company’s expectations of employees of the Group (hereinafter referred to as “employee(s)”) in detecting fraudulent activities, malpractices or improprieties;
- To guide employees on the course of action when addressing their concerns or suspicions of fraudulent activities, malpractices or improprieties;
- To provide a process for investigations and management reporting; and
- To establish policies for protecting whistle-blowers against reprisal by any person internal or external to the Group.

4. TYPES OF ACTION COVERED BY PROGRAMME

This Programme is intended to deal with concerns over wrongdoings that fall within the following activities:

- Financial malpractice or impropriety;
- Fraud or corruption or any dishonest act;
- Criminal activity including forgery or falsification of and alteration to Company documents/accounts;
- Breach of legal obligation (including negligence, breach of contracts);
- Danger of destruction to and unsafe practices in the work environment;
- Improper conduct or unethical behaviour (eg, disclosure of confidential and proprietary information to party(ies) without prior authorization and a need-to-know basis, accepting/seeking anything of material value from business associates eg. vendors);
- Attempts to conceal any of the above; and
- Any other similar or related inappropriate conduct or activities that might lead to other damaging implications to the Group.

5. REPORTING PROCEDURES

Acts of misconduct may be disclosed in writing, telephonically or in person. However, all reports are encouraged to be made in writing, so as to assume a clear understanding of the issues raised. The format provided in Appendix 1 may be used for reporting purposes. All reports should be sent directly to any member of the Whistleblowing Committee. Contact information of the Whistleblowing Committee members ("Committee Members") are as follows:

Chairman:

Mr Chua Siong Kiat

Email: alexskchua@gmail.com

Members:

a. Mr Kong Chee Keong

Email: ckkong@penvest-co.com

b. Mr Francis Goh

Email: FrancisGoh@harryelias.com

It is recommended to mark the subject of reports sent through email as 'Whistleblower' for ease of identification.

Although the whistleblower is not expected to prove the truth of an allegation, he/she needs to demonstrate to the person contacted that there are sufficient grounds for concern.

6. INVESTIGATION

All reports made/received shall be thoroughly investigated by the Investigation Committee with the objective of locating evidence that either substantiates or refutes the claims made by the whistle-blower.

The Investigation Committee shall comprise Head of AC member and 1 person from HR department appointed by CEO.

The Investigation Committee may contact the whistle-blower and any party(ies) or personnel for further information and/or any documents that can shed light to the investigation during the course of the investigation.

The Investigation Committee may enlist, at the expense of the Company the assistance of outside legal, accounting or such other advisors and professionals, as may be appropriate or required to conduct the investigation.

The Investigation Committee shall exercise great care, sensitivity and timeliness whilst carrying out the investigation to avoid “misleading or wrongful” conclusions or actions which might affect the evidence of the investigation or result in wrongful accusations of any party(ies).

Investigation results are confidential and will NOT be disclosed or discussed with anyone other than those with a legitimate need to know. The whistle-blower will not be updated on the outcome of the investigations other than to receive confirmation that the matter has been dealt with by the Company. This is to safeguard all parties, including the Company.

The applicable law, rules and regulations shall be observed in any investigation arising out of a whistle-blower report. As such, the person against whom the allegation is made shall be given the right to due process, including the opportunity to present evidence to disprove the allegation.

7. ADMINISTRATION

The AC member, with the assistance of the HR, will be responsible for the oversight, monitoring and administration of this Programme.

8. IMMUNITY FROM DISCIPLINARY ACTION

The Company encourages the reporting of fraudulent practices and inappropriate activities and in pursuit thereof, shall grant administrative immunity to whistle-blowers.

A whistle-blower acting in good faith and who has not himself or herself engaged in serious misconduct or illegal conduct shall be protected from any forms of harassment, retaliation, adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment.

The whistleblower’s identity will be kept confidential.

WHISTLEBLOWER REPORT FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company and submit directly to any of the Committee Members. Please note that you may be called upon to assist in the investigation, if required.

Note: Please follow the guidelines as laid out in the Whistleblowing Policy

REPORTER'S CONTACT INFORMATION			
NAME / ID NO. / BADGE NO.			
DESIGNATION			
DEPARTMENT / OPERATION			
CONTACT NUMBERS			
E-MAIL ADDRESS			
SUSPECT'S INFORMATION			
NAME / ID NO. / BADGE NO.			
DESIGNATION			
DEPARTMENT / OPERATION			
CONTACT NUMBERS			
E-MAIL ADDRESS			
WITNESS(ES) INFORMATION (if any)			
NAME		NAME	
DESIGNATION		DESIGNATION	
DEPARTMENT		DEPARTMENT	
CONTACT NUMBERS		CONTACT NUMBERS	
E-MAIL ADDRESS		E-MAIL ADDRESS	
ALLEGATION NO.		ALLEGATION NO.	

COMPLAINT: Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how. If there is more than one allegation, number each allegation and use as many pages as necessary.	
What misconduct / improper activity occurred?	
Who committed the misconduct / improper activity?	
When did it happen and when did you notice it?	
Where did it happen?	
Is there any evidence that you could provide us?*	
Are there any other details or information which could assist us in the investigation?	
Do you have any others details or information which would assist us in the investigation?	
Any other comments?	
Date:	Signature:

<i>For Whistleblowing Committee Use</i>	<i>Report No.</i>
Received By:	Received On:
	Acknowledgement Sent On:
Investigation Required (Yes / No)? <i>(If no, please state the reason)</i>	
Investigation Done By:	
Investigation Results:	
Action Taken / Conclusion:	
Reported to Whistleblowing Committee Chairman on:	
Signed Off by:	