



BOE Varitronix Limited

Whistleblowing Policy

**(Adopted on 9 August 2013,
revised on 1 January 2022)**

WHISTLEBLOWING POLICY

1. PURPOSE

BOE Varitronix Limited (“the Company”) and its subsidiaries (collectively “the Group”) are committed to high standards of corporate governance. Whilst the Group’s internal controls and procedures are intended to prevent, detect or deter improper activities, we recognize that even the best systems cannot provide absolute safeguards against irregularities. As a result, the Company has devised a Whistleblowing Policy (the “Policy”) for all employees of the Group to report serious concerns about any misconduct, malpractice or irregularities which he/she has become aware or genuinely suspects that the Company or any of its subsidiaries has been or may become involved in. This Policy is designed to encourage whistle-blowers to come forward and disclose their concerns in good faith without fear of punishment or unfair treatment, in a responsible and effective manner rather than overlooking a problem or blowing the whistle outside.

2. POLICY

This Policy is intended to assist individual employees (permanent or temporary employees) and third parties who deal with the Group (include but not limited to consultants, contractors, suppliers, agents and customers) to disclose internally and at a high level, information which the individual believes shows malpractice or impropriety. It is not designed to further any personal disputes, question financial or business decisions taken by the Group nor should it be used to reconsider any staff matters which have been addressed under the grievances procedure already in place. Whistleblowing matters may include but are not confined to:

- breach of legal or regulatory requirements (such as corruption or acts of fraud), criminal offences, breach of civil law and miscarriage of justice;
- malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- theft and/or misappropriation of the Group’s properties, assets or resources;
- acts to mislead, deceive, manipulate, coerce or fraudulently influence any internal or external accountant or auditor in connection with the preparation, examination, audit or review of any financial statements or records of the Group;
- breach of or failure to implement or comply with the Group’s Code of Conducts;
- serious conflict of interest without disclosure;
- endangerment of the health and safety of an individual;
- damage caused to the environment;

- any other serious improper matters which may cause financial or non-financial loss to the Group, or damage to the Group's reputation; or
- deliberate concealment of any of the above.

2.1 Protection and Confidentiality

It is the Group's policy that employees should not suffer any form of intimidation, reprisal, retaliation or adverse reaction as a consequence of reporting a concern about any of the above matters. The Group will make every effort to treat all disclosures in a confidential and sensitive manner. The identity of the individual employee making the allegation will not be divulged without the employee's consent. However, there may be circumstances in which the Group may be required or legally obliged to reveal the employee's identity, for example, where

- the Group is under a legal obligation to disclose information provided;
- the information is already in the public domain;
- the information is given on a strictly confidential basis to legal or auditing professionals for the purpose of obtaining professional advice; or
- 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 Hong Kong Police Force, the Independent Commission Against Corruption, the Security and Futures Commission, Ministry of Public Security of the People's Republic of China or relevant regulatory body in Hong Kong or China Mainland as appropriate.

If this is the case, the Group will take all reasonable steps to ensure that the employee suffers no detriment. Harassment or victimization of a genuine whistleblower will be treated as gross misconduct, which if proven, may result in dismissal.

2.2 Untrue Allegations

In making a disclosure, individual employee should exercise due care to ensure the accuracy of the information. If the employee is mistaken, he/she will not be at risk of losing his/her job or suffering any form of retribution as a result provided always that he/she raises the concerns/issues or allegations in good faith and without malice and has reasonable ground believing them to be true. On the other hand, disciplinary action will be taken against employee deliberately raising false and malicious allegations.

2.3 Acknowledgement and Recognition

The Group places great value upon creating an environment where employees would maintain the highest standard of ethics, honesty, openness and accountability. The Group recognizes that it requires courage and personal quality such as righteousness, loyalty and impeccable integrity for an employee to step out and blow the whistle. These personal qualities and positive behaviours demonstrated by the whistle-blowers are well acknowledged by the Group and will be taken into consideration, among others, for the employee's career opportunities and advancement.

3. PROCEDURE

3.1 Reporting Channel

Employee who has a legitimate malpractice concern should report to the Audit Committee via email to auditcommittee@boevx.com and mark "Strictly Private and Confidential", with the information including but not limited to:

- key person(s) involved;
- nature of the matter;
- section and/or location of the matter;
- time period over which the matter has occurred;
- known or estimated value involved; or
- any documents/files in relation to the matter.

Employees may raise a concern anonymously or in confidence, the Group will protect their identity and will not disclose it without their consent. However, the Group encourage Employees to put their names to any disclosures they make. This will help the investigating officer to focus his investigation on the main issues quickly. The Group reserves the right not to handle anonymous complaints.

Protection against retaliation

The Group will hold it a serious disciplinary offence for any person to seek to prevent a communication of malpractice concern reaching to the Audit Committee, or to impede any investigation which he/she or anyone on his/her behalf may make.

3.2 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;
- be referred to the Hong Kong Police Force or regulatory body in China Mainland;

- be referred to the external auditor; and/or
- form the subject of an independent inquiry.

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 whether or not the matter is to be investigated further and if so what the nature of the investigation will be; and
- giving an estimate of how long the investigation will take to provide a final response; telling the complainant whether any initial enquiries have been made, and whether further investigations will take place, and if not, why not.

4. RECORD RETENTION

Records shall be kept for all reported improprieties by the Internal Audit Department. In the event a reported impropriety leads to an investigation, all relevant information relating to the case shall be retained, including details of corrective action taken, for a period as long as is necessary considered by the Audit Committee or a period may be specified by any relevant legislation.

5. PERIODIC REVIEW

The Group assess the efficiency of current whistleblowing measures annually. In case of appropriate necessity, the Group will amend existing policies or develop and introduce additional policies.

Where any discrepancy arises between the Chinese translation and the original English version, the English version shall prevail.