



WHISTLE BLOWING POLICY

1. INTRODUCTION

- 1.1 Employees are often the first to realise that there may be irregularities within a company. However, employees may not express their concerns for fear of being disloyal to their colleagues or to the company. They may also be afraid of discrimination or harassment. In such circumstances, employees may feel that it is best to ignore the concern rather than report.
- 1.2 External parties who have dealings with the company (such as customers and suppliers) may also avoid raising a concern of potential irregularities for the same reasons.
- 1.3 Hwa Hong Corporation Limited, its subsidiaries and associates (“Hwa Hong Group”) is committed to maintain good employment practices and high standards of openness, probity and accountability. In line with this commitment, the Whistle Blowing Policy (“Policy”) aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith.
- 1.4 The Policy is intended to conform to the guidance set out in the Code of Corporate Governance which encourages you to raise concerns, in confidence, about possible irregularities.

2. DEFINITION

- 2.1 For the purpose of this Policy, whistle blowing is defined as:

“a deliberate, voluntary disclosure of individual or organisational malpractice by a person who has or has had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by the Hwa Hong Group that is within its ability to control.”

3. WHO IS COVERED BY THIS POLICY

- 3.1 This Policy applies to all employees of Hwa Hong Group.
- 3.2 It also applies to all external parties who have a business relationship with Hwa Hong Group. External parties include customers, suppliers, contractors and other stakeholders.



4. AIM OF THIS POLICY

- 4.1 Provision of proper avenues for you to raise concerns about actual or suspected improprieties in matters of financial reporting or other matters and receive feedback on any action taken.
- 4.2 Give you assurances that you will be protected from reprisals or victimisation for whistle blowing in good faith.

5. REPORTABLE INCIDENTS

- 5.1 Some examples of concerns covered by this Policy include (this list is not exhaustive):-

- Concerns about the Group's accounting, internal controls or auditing matters;
- Impropriety, corruption, acts of fraud, theft and/misuse of the Group's properties, assets or resources;
- Conduct which is an offence or breach of law;
- Serious conflict of interest without disclosure;
- Breach of the Group's policies or code of conduct;
- Concealing information about any of the above malpractice or misconduct;
- Any other serious improper matters which may cause financial or non-financial loss to the Group, or damage to the Group's reputation;
- Fraud against investors, or the making of fraudulent statements to the Singapore Exchange Securities Trading Limited, members of the investing public and government or state authorities; and
- Distinct effort 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.

- 5.2 Some examples of the above situations are provided in Annex 1.

6. PROTECTION AGAINST REPRISALS

- 6.1 If you raise a genuine concern under this Policy, you will not be at risk of losing your job or suffering from retribution or harassment as a result. Provided that you are acting in good faith, it does not matter if you are mistaken.
- 6.2 However, Hwa Hong Group does not condone frivolous, mischievous or malicious allegations. Employee(s) making such allegations will face disciplinary action in accordance to the Disciplinary Procedures.



7. CONFIDENTIALITY

- 7.1 Hwa Hong Group encourages you to identify yourself when raising a concern or providing information. All concerns will be treated with strict confidentiality.
- 7.2 Exceptional circumstances which information provided by you can or would not be treated with strictest confidentiality include:-
- where the Hwa Hong Group is under a legal obligation to disclose information provided by you;
 - where the information is already in the public domain;
 - where the information is given on a strictly confidential basis to legal or auditing professionals for the purpose of obtaining professional advice; and
 - where the information is given to the Police for criminal investigation.
- 7.3 In the event we are faced with a circumstance not covered by the above, and where your identity is to be revealed, we will endeavor to discuss this with you first.

8. CONCERNS AND INFORMATION PROVIDED ANONYMOUSLY

- 8.1 Concerns expressed anonymously are much less persuasive and may hinder investigation work as it is more difficult to look into the matter or to protect your position. Accordingly, Hwa Hong Group will consider anonymous reports, but concerns expressed or information provided anonymously will be investigated on the basis of their merits.

9. HOW TO RAISE A CONCERN OR PROVIDE INFORMATION

Who to Report To

- 9.1 Option One : Report to your immediate supervisor.
- 9.2 Option Two : If the concern involves your immediate supervisor, manager or Head of Department, or for any reason you would prefer them not to be told, you may report to the designated officer as set out in Annex 2.



- 9.3 Option Three : If you feel that none of the channels above are suitable, you can address your concerns to the Audit and Risk Committee Chairman. The contact details are set out in Annex 2.

How to Make the Report

- 9.4 Concerns or information are preferably raised or provided in writing (letter or e-mail). Ideally, Hwa Hong Group recommends you to be detailed in setting out the background and history of events and the reasons for your concern.
- 9.5 If you are not comfortable about writing in, you can telephone or meet the appropriate officer in confidence at a time and location to be determined together.

10. IMPORTANT POINTS TO NOTE WHEN RAISING A CONCERN OR PROVIDING INFORMATION

- 10.1 The earlier your concern is raised the easier it is for Hwa Hong Group to take action.
- 10.2 Hwa Hong Group expects you to provide your concern in good faith and to show to the appropriate officer that there are sufficient grounds for your concern.
- 10.3 Hwa Hong Group also recognises that employees may wish to seek advice and be represented by their trade union officer.

11. HOW HWA HONG GROUP WILL RESPOND

When a concern is raised or information is provided

- 11.1 Hwa Hong Group assures you that any concern raised or information provided will be investigated, but consideration will be given to the following factors:
- seriousness of the issue raised;
 - credibility of the concern or information; and
 - likelihood of confirming the concern or information from attributable sources.



Investigating a concern raised or information provided

- 11.2 Depending on the nature of the concern raised or information provided, the investigation will be conducted involving one or more of the following persons or entities:
- the Audit and Risk Committee;
 - the External Auditor;
 - Forensic Accountants; and/or
 - the Police or Commercial Affairs Department.
- 11.3 The amount of contact between the whistleblower and the person(s) investigating the concern raised and information provided will be determined by the nature and clarity of the matter reported. Further information provided may be sought from the whistleblower during the course of the investigation.

What happens after the investigation is completed?

- 11.4 The investigating officer(s) will communicate the findings of the investigation(s) to the Audit and Risk Committee for their necessary action.



ANNEX 1

SOME EXAMPLES OF SITUATIONS THAT SHOULD BE REPORTED

Example 1:

You work in the Finance Department of the Group. You are concerned about the lack of internal controls or the appropriateness of the internal controls in the functions of the Finance Department you are tasked to do and are aware of discrepancies and abuse as a result of this. What should you do?

Report to your immediate supervisor with details of breach of controls and if possible with documentary evidence. If reporting to your immediate supervisor is not appropriate follow the reporting line provided in the Policy.

Example 2:

A particular supplier is always providing poor quality materials or is shoddy in workmanship. You have brought this matter up with your immediate supervisor, but no action was taken against the supplier. You suspect that your supervisor is favouring the supplier to the detriment of the Group. What should you do?

Report to the designated officer with details of the instance(s) and where possible with supporting documents and evidence.

Example 3:

You are a customer or a supplier. A staff member of the Group has suggested that you will be given a favourable contract in return for a reward in cash or in kind. What should you do?

Report with details and where possible with documentary evidence to the designated officer. If this is not an appropriate reporting channel or the matter is very serious, you should report directly to the Audit and Risk Committee Chairman.

Example 4:

You have become aware of serious and immediate safety concerns at one of the Group's properties. You have already informed the Property Management Department and no actions had been taken. What should you do?

Report to your immediate supervisor.



Example 5:

As a close friend of the person in charge of procurement you realise that a procurement contract he or she has approved is with a company in which his or her family member has a financial interest. No one else in the company knows about this personal relationship with the supplier. What do you do?

Report immediately to your immediate supervisor or if the person involved is your immediate supervisor, report to the designated officer.

The above examples are not exhaustive.

NOTE : If you feel that your reporting channels above are not suitable or have not taken the appropriate actions, you can address your concerns to other channels as set out in Para 9 of the Policy. Reporting channels would include the designated officer and/or the Audit and Risk Committee Chairman. Their contact details are set out in Annex 2.



ANNEX 2

DESIGNATED OFFICER:

Ms Gwendolin Lee Soo Fern
Company Secretary
Tel: (65) 6230 9624
Fax: (65) 6536 1360
Email: HwaHongCorp.Whistleblow@boardroomlimited.com

Audit and Risk Committee Chairman

Hans Hugh Miller
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WHISTLEBLOWING POLICY – EXECUTIVE SUMMARY

