

**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**

**威雅利電子(集團)有限公司**

**Whistleblowing Policy**

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## **A. PURPOSE**

The Company is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, this policy is designed to provide a formal communication channel to encourage employees of the Company and its subsidiaries (“the Group”) and related third parties (e.g. customers, suppliers, etc., who deal with the Group) (“Third Parties”) to raise concerns, in confidence, about misconduct, malpractice or irregularities in any matters related to the Company.

## **B. GENERAL POLICY**

“Whistleblowing” refers to a situation where an employee or a Third Party decides to report serious concerns about any suspected misconduct, malpractice or irregularity. See Section E for examples of misconducts, malpractices or irregularities.

This policy is intended to encourage and assist Whistleblowers to disclose information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel. The Company will handle the report with care and will treat the Whistleblower’s concerns fairly and properly.

## **C. PROTECTION AND SUPPORT FOR WHISTLEBLOWERS**

Persons making genuine and appropriate complaints under this Policy are assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated.

Employees who victimise or retaliate against those who have raised concerns under this Policy will be subject to disciplinary actions, including the possibility of dismissal.

## **D. RESPONSIBILITY FOR IMPLEMENTATION OF POLICY**

This policy has been approved and adopted by the Board of the Company. The Audit Committee has overall responsibility for implementation, monitoring and periodic review of this policy. The Chairman of the Audit Committee is an independent non-executive director within the meaning of Rule 3.13 of the Listing Rules.

The Company understands the importance of ensuring and maintaining the independence of all the personnel involved in the investigation of any report made by the Whistleblower. They must declare their interest before the proceedings of investigation start. Should any conflict of interest be found at any stage, the personnel involved must be replaced immediately.

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## **E. MISCONDUCT AND MALPRACTICE**

It is impossible to give an exhaustive list of the activities that constitute misconduct or malpractice but, broadly speaking, the Company would expect employees or Third Parties to report the following:

- (a) criminal offence or illegal act;
- (b) failure to comply with any legal obligations;
- (c) miscarriage of justice;
- (d) impropriety or fraud relating to accounting, financial reporting, auditing, internal controls and other financial matters;
- (e) misappropriation of cash, inventory or any other asset of the Group;
- (f) fraudulent request of expense reimbursement;
- (g) collusive activity with trading counterparties, suppliers or competitors, e.g. bribery, illegal gratuities, economic extortion, undisclosed conflicts of interest, abuse of position;
- (h) other financial improprieties;
- (i) unauthorized use or disclosure of confidential commercial information;
- (j) violation of rules and regulations of the Company;
- (k) improper conduct or unethical behaviour;
- (l) action which endangers the health and safety of any individual;
- (m) action which causes damage to the environment; and
- (n) deliberate concealment of information concerning any of the matters listed above.

While the Company does not expect Whistleblowers to have absolute proof of the misconduct or malpractice reported, the report should show the reasons for the concerns. If a Whistleblower makes a report in good faith then, even if it is not confirmed by an investigation, his or her concerns would be valued and appreciated.

## **F. MAKING A REPORT**

A Whistleblower must make a report in writing and channel the report to the Audit Committee either (1) by post or (2) by email.

- (1) By post: The report must be signed by the Whistleblower personally, sealed in an envelope clearly marked “Strictly Private and Confidential”, and addressed and sent to:  
*Audit Committee of Willas-Array Electronics (Holdings) Limited*  
*24/F Wyler Centre, Phase 2,*  
*200 Tai Lin Pai Road,*  
*Kwai Chung, New Territories,*  
*Hong Kong*
- (2) By email: The report can be sent by email to [ac@willas-array.com](mailto:ac@willas-array.com).

In the report, the Whistleblower should provide full details, including, but not limited to, the following:

- (a) Whistleblower’s name and contact details, including telephone number, email address and address; and

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- (b) details of concerns: names of persons involved in the incident, dates and places and the reasons for the report, and, where possible, supporting evidence.

If the report is in any way connected with the Audit Committee itself, the Whistleblower should report it directly to the Chairman of the Company.

## **G. CONFIDENTIALITY**

The Company will make every effort, within its capacity to do so, to keep a Whistleblower's identity confidential. The Company will endeavour to advise a Whistleblower in advance if his or her identity may become apparent or need to be disclosed. Should an investigation lead to a criminal prosecution, it may become necessary for a Whistleblower to provide evidence or be interviewed by the relevant authorities.

For his or her part, in order not to jeopardise the investigation, the Whistleblower is also required to keep confidential the fact that he or she has filed a report as well as the nature of concerns and the identities of those involved.

## **H. REPORTING AND INVESTIGATIONS**

1. The Company will acknowledge receipt of a Whistleblower's report within five (5) working days confirming that:
  - (a) the report has been received;
  - (b) the matter will be considered; and
  - (c) subject to legal constraint, Whistleblower will be advised of the outcome of the investigation in due course.
2. The Company will evaluate every report received to decide if a full investigation is necessary. If an investigation is warranted, an investigator (with suitable seniority and without previous involvement in a matter of the same or similar nature) will be appointed by the Audit Committee to look into the matter.
3. Where the report discloses a possible criminal offence, the Audit Committee, in consultation with the Company's Legal Counsel or external legal advisors, will decide if the matter should be referred to the authorities for further action.
4. Once the matter is referred to the authorities, the Company will not be able to take further action on the matter, including advising Whistleblower of the referral.
5. Whistleblower may be asked to provide more information during the course of the investigation.
6. Possible outcomes of the investigation:
  - (a) the allegation could not be substantiated; or
  - (b) the allegation is substantiated with one or both of the following:
    - (i) corrective action taken to ensure that the problem will not occur again; and/or
    - (ii) disciplinary or appropriate action against the wrongdoer.
7. A final report to be made by the investigator, with recommendations for change (if appropriate), will be produced to the Audit Committee. The Audit Committee will review the final report and make recommendations to the Board.
8. Whistleblower will receive in writing the outcome of the investigation.

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**I. FALSE REPORT**

If a Whistleblower makes a false report maliciously, with an ulterior motive, or for personal gain, the Company reserves the right to take appropriate actions against anyone (employees or Third Parties) to recover any loss or damage as a result of the false report. In particular, employees may face disciplinary action, including dismissal where appropriate.

**J. ANONYMOUS REPORT**

The Company respects that sometimes Whistleblowers may wish to file the report anonymously. However, an anonymous allegation will be much more difficult for the Company to follow up simply because the Company will not be able to obtain further information from Whistleblowers and make a proper assessment.

The Company generally does not encourage anonymous reporting and encourage Whistleblowers to come forward with their concerns.

**K. RECORD RETENTION**

Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Company under Section H above. In the event a reported irregularity leads to an investigation, the party responsible for leading / conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding seven years (or whatever other period may be specified by any relevant legislation).

Date: 29 January 2015