

Whistleblowing Policy

1. Introduction

Cosmos Machinery Enterprises Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) are committed to achieving and maintaining the highest standards of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartial and honest. In order to maintain a good corporate image and raise the corporate governance standard of the Group, and also to ensure that any inappropriate behavior that damage the interest of the shareholders, investors, customers and the wider public does not occur, the Company has devised a whistleblowing policy (the “**Policy**”).

2. Purpose

“Whistleblowing” refers to a situation where an employee or a third party dealing with the Group (the “**Whistleblower**”) decides to report serious concerns about any malpractice which he/she has become aware of or genuinely suspects that the Group has been or may become involved in.

The Policy aims to provide a mechanism to assist Whistleblowers to raise concerns on any suspected misconduct or malpractice within the Group through confidential reporting channels, and to encourage employees to raise serious concerns internally, in a responsible and effective manner rather than overlooking a problem or blowing the whistle outside.

The Policy applies to all employees of the Group and all third parties dealing with the Group, such as shareholders, investors, customers and suppliers.

3. The Policy

It is impossible to provide an exhaustive list of all the matters that constitute suspected misconduct or malpractice, the whistleblowing matters include but not limited to:

- (a) Breach of any legal obligations
- (b) Criminal offences, breach of civil law and miscarriage of justice
- (c) Malpractice, impropriety, dishonesty or fraud relating to internal controls, accounting, auditing and financial matters
- (d) Corruption and misconduct
- (e) Endangerment of the health and safety of an individual
- (f) Damage caused to the environment
- (g) Detriment to public interest
- (h) Violation of rules and regulations of the Group
- (i) Improper conduct or unethical behavior likely to prejudice the standing of the Group
- (j) Deliberate concealment of any of the above

4. Protection and Confidentiality

It is the Company's policy to make every effort to treat all disclosures in a confidential and sensitive manner. The identity of the Whistleblower making the allegation will not be divulged without the Whistleblower's consent. However, there may be circumstances in which the Company may be required or legally obliged to reveal the Whistleblower's identity, for example, if an investigation leads to legal proceedings being initiated. In this case, the Company will take all reasonable steps to ensure that the Whistleblower suffers no detriment.

5. Untrue Allegations

In making a disclosure, the Whistleblower should exercise due care to ensure the accuracy of the information provided. No matter the allegations are being proven, the Whistleblower will not be at risk of suffering any form of retribution as a result provided that he/she is acting in good faith and reasonable manner. In contrast, the Company reserves the right to take appropriate actions, including to recover any loss or damage suffered as result of that allegation, to take disciplinary action and/or legal action, against the Whistleblower who is proven to raise false and malicious allegations deliberately.

6. Making a Report and Reporting Channel

Whistleblower can make a report in person or in writing with his/her name, full details of concerns and supporting evidence (if any). A template whistleblowing report form (Annex 1) is attached for reference.

- In person:
Whistleblower who is an employee should raise his/her concerns to his/her division/department head. The division/department head should then raise the matter to the Chief Executive Officer and/or Company Secretary of the Company.
- In writing:
Report should be sent to the Chief Executive Officer and/or Company Secretary of the Company by post at the registered office of the Company situated at 10th Floor, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong with a sealed envelope clearly marked "Strictly Private and Confidential" or by email to whistleblower@cosmel.com.

Whistleblower is strongly encouraged to provide his/her name and contact details, so that clarification of the report made or further appropriate information can be obtained directly from him/her, where required. However, it is recognised that the Whistleblower may not feel comfortable identifying himself/herself in some cases. In these cases, anonymous report may be submitted.

If the report involves any of the directors of the Company, the Whistleblower can report directly to the chairman of the audit committee of the Company (the "**Audit Committee**") or to the Chief Executive Officer and/or Company Secretary of the Company.

7. Investigation Procedures

The Company will acknowledge receipt of the Whistleblower's report within 5 working days. The Chief Executive Officer and/or Company Secretary of the Company will follow up the report.

The Company will evaluate the report and to decide if a full investigation is needed. If there is evidence of any criminal offence, the Company will refer the matter to the Audit Committee. The Audit Committee will then decide if the matter should be referred to the regulatory authorities after consultation with the legal advisers of the Company.

The Company will discuss with the Whistleblower before referring the matter to the regulatory authorities except in some special situations. No further actions will be taken if the matter is referred to the regulatory authorities.

Further information may be provided by the Whistleblower during the investigation process. The Chief Executive Officer and/or Company Secretary of the Company will produce an investigation report to the Audit Committee upon completion of the investigation, with recommendations (if any). The Audit Committee will review the investigation report and recommend any further actions to the board of directors of the Company (the “**Board**”) for final decision.

The investigation outcome will be sent to the Whistleblower in writing within 2 months based on the complexity of the matter.

Please note that no details of the action taken or no copy of the investigation report will be given to the Whistleblower due to legal constraints. If the Whistleblower is not satisfied with the investigation outcome, he/she can raise the matter again with the Chief Executive Officer and/or Company Secretary of the Company and further investigation will be considered after examining all aspect of facts.

8. Responsibility for Implementation of the Policy

The Audit Committee has responsibility for the Policy. It can delegate the day-to-day responsibility to the Chief Executive Officer and/or Company Secretary of the Company as the “designated senior officer(s)” to oversee and implement the Policy. However, the Audit Committee still has ultimate responsibility for monitoring and reviewing the operation of the Policy and any recommendations for actions resulting from investigation of the respective matters.

9. Review of the Policy

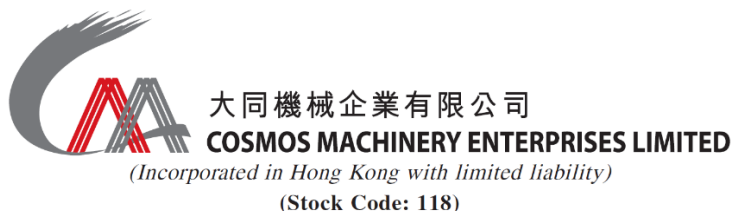
The Company Secretary of the Company shall make recommendations to the Board on any amendments to the Policy in due course, in order to ensure strict compliance with the changing regulatory requirements and revised from time to time thereafter.

Any amendments to the Policy shall be approved by the Board.

Revised on 26 August 2022

(The English version of the Policy shall prevail in case of any discrepancy or inconsistency between the English version and its Chinese version.)

Annex 1



Whistleblowing Report Form

Private & Confidential

The Company encourages employees and the third parties dealing with the Group to raise their concerns about any suspected misconduct or malpractice within the Group.

The identity of the Whistleblower making the allegation will not be divulged without the Whistleblower's consent.

If you wish to make a written report, please use the format of this form. Once completed, this form becomes confidential.

This form should be sent to the Chief Executive Officer and/or Company Secretary of the Company by post at the registered office of the Company situated at 10th Floor, Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong with a sealed envelope clearly marked "Strictly Private and Confidential" or by email to whistleblower@cosmel.com.

Your contact details: <i>(We encourage you to provide your name with this form. Concerns expressed anonymously are much less powerful but they will be considered as far as practicable.)</i>	Name	:	
	Tel No.	:	
	Address	:	
	Email	:	
	Date	:	
The name(s) of those involved (if known):			
Details of concerns: <i>(Please provide full details of your concerns: name(s) of relevant person(s), date(s) and place(s) and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence.)</i>			