

China High Speed Transmission Equipment Group Co., Ltd.
中國高速傳動設備集團有限公司
(the “Company”)

Whistle-blowing Policy

1. Purpose

Dedicated to maintaining good corporate governance, the Company upholds a high level of integrity, openness and clean practice and emphasizes the spirit of accountability and high transparency. To implement this commitment, we support the employees of the Company and its subsidiaries (the “Group”) as well as third parties having business relations with the Group to express their concerns with any misconduct, malpractice or noncompliance related to the affairs of the Group in an appropriate manner.

2. Scope of Application

This Policy is applicable to all the employees of the Group and third parties in question, which include but are not limited to customers, suppliers, contractors, creditors, debtors, advisors or other stakeholders (the “Stakeholder(s)”) of the Group.

3. General Policy

“Whistle-blowing” refers to employee or Stakeholder decides to report any suspected misconduct, malpractice or noncompliance within the Group for the purpose of expressing his or her severe concern. Please check Article 6 of this Policy for the examples of related misconduct, malpractice or noncompliance.

This Policy is designed to support and assist whistle-blowers to report suspected misconduct, malpractice or noncompliance through appropriate channels. We will handle related reports with prudence and handle the concerns of whistle-blowers in a fair and appropriate manner.

4. Protection and Support for Whistle-blowers

This Policy will protect any whistle-blower who report in an authentic and appropriate manner with fair treatment. Even if the concern expressed by a whistle-blower is eventually unverifiable, he or she who makes a sincere and appropriate complaint in accordance with this Policy will be not subjected to an unfair dismissal, harm or improper disciplinary action.

Where any employee or Stakeholder takes revenge on or threatens the whistle-blower, the Group will reserve the right to take appropriate action against such person. Any employee who injures or takes revenge on those persons who express concerns in accordance with this Policy will be subjected to disciplinary action, including possible immediate dismissal.

5. Approval and Review

This Policy has been reviewed and adopted by the board of directors of the Company. The audit committee of the Company shall bear the overall responsibility of implementing, supervising and reviewing this Policy regularly. The chairman and members of the audit committee are all independent non-executive directors. Any future amendment to this Policy shall be reviewed by the audit committee and approved by the board of directors.

6. Misconduct, Malpractice and Noncompliance

The Group requires all employees and Stakeholders to abide by and implement the anti-corruption policy of the Group in business activities with the Company. Failure to comply with related policies may constitute a misconduct, malpractice or noncompliance event, and such conduct can be reported.

We are not capable of listing in detail all activities that constitute misconduct, malpractice or noncompliance under this Policy, but generally speaking, they include but are not limited to:

- 1) Corruption, crime or fraud for personal gain;
- 2) Misconduct or frauds related to the accounting, audit, internal control, financial reporting and other financial affairs, embezzlement of cash or inventories of the Company or other assets of the Group, fraudulent reimbursement of expenses and other improper financial conducts;
- 3) Embezzle on properties of the Company illegally and misuse assets of the Company without the approval of the Company to seek personal gains;
- 4) Collusion with counterparties, customers, suppliers or rivals such as bribery, illegal remuneration, monetary blackmail, no disclosure of conflict of interest and misuse of position;
- 5) Use or disclosure of business secrets without authorization;
- 6) Conceal material affairs, harbor or indulge in illegal or non-compliant conducts;
- 7) Violate laws, regulations or governance responsibilities of the Company;
- 8) Conduct acts that harm personal health and safety;
- 9) Conduct acts that harm the environment;
- 10) Any harmful act, discrimination or revenge against the whistle-blower reporting in accordance with this Policy;
- 11) Conceal or damage on purpose the information related to the aforesaid affairs;
- 12) Deliberate breach of duty that leads to damage to the lawful interests of the Company, or pursue illegal interests of the Company (for example, money laundering and tax evasion) or other conduct in pursuit of improper interests for himself or herself; and
- 13) Any other misconducts.

A whistle-blower may be unable to provide solid proof related to the reported misconduct or malpractice, but he or she shall also indicate the reason why the related affair is worth attention. If a whistle-blower reports an event as it is out of sincerity and even if the investigation cannot prove the case involves any misconduct or malpractice, we will also value and appreciate the concern of the whistle-blower.

Our whistle-blowing policy provides sever concern, complaint or whistle-blowing channels. Nevertheless, the complaint related to the products or after-sales services of the Company shall generally not be reported in accordance with this Policy, unless such complaint involves the aforesaid misconduct, malpractice and noncompliance.

7. Whistle-blowing Methods and Channels

A whistle-blower can submit a written report to the audit committee of the Company by email or by post. Below are the whistle-blowing methods and channels:

- 1) Email: whistleblowing@chste.com
- 2) Report by post: Audit committee of China High Speed Transmission Equipment Group Co., Ltd.
Room 1302, 13th Floor, COFCO Tower, No. 262 Gloucester Road, Causeway Bay, Hong Kong

If the reported affair is related to the business of a subsidiary of the Company, the whistle-blower can also submit the report through the whistle-blowing method and channel below:

- 3) Tel: +86 25-8509-9264
- 4) Email: REPORT12345@NGCtransmission.com
- 5) Post or Visit: Risk control department, No. 9, Caiwen Road, Science Park, Jiangning District, Nanjing

If the report is related to the audit committee of the Company itself, the whistle-blower can directly report to the chairman of the board of directors of the Company, the Independent Commission Against Corruption of the Hong Kong Special Administrative Region or related authorities in the mainland China.

In the report, we encourage the whistle-blower to disclose the following details:

- 1) The name, identity card number and contact information of the whistle-blower, including telephone number and email box; and
- 2) Reporting details: Names, dates and places related to the event as well as the reason for reporting and (if possible) proofs.

8. Confidentiality

The Group will be committed to protect the identity of the whistle-blower. To ensure the investigation will not be hampered, the whistle-blower shall also keep confidential the fact that he or she has made the report, the nature of the reported affair and the identities of involved persons.

In some cases, we may disclose the whistle-blower's identity based on the nature of the investigation. Where such case happens, we will also try our best to inform the whistle-blower of the events in question in advance. If the investigation evolves into a criminal procedure, the whistle-blower shall also provide proof or cooperate with the relevant authorities in the investigation.

9. Investigation

The Group will review and evaluate every report that is received to decide whether to initiate an investigation, and will initiate an investigation if it is justifiable. Moreover, the Group will inform the whistle-blower of the investigation result in due course if laws permit.

The Group understands it is important to ensure and maintain the independence of those people participating in the investigation, and when the Group finds a conflict of interest that exists at any stage of the investigation, relevant people shall be immediately replaced.

Where there is sufficient proof indicating the reported event may involve a criminal offence or corruption, the Group will decide whether to refer the event to the related local law enforcement agency for further action after consulting the internal or external legal advisor.

The Group will report the suspected corruption case or other criminal offence to regulators, law enforcement agencies or authorities. Once an event is referred to related regulators or authorities for action, the Group will no longer take further action against the event.

The form and required time of the investigation will depend on the nature of the report and individual case. The submitted report may:

- 1) Trigger an internal investigation;
- 2) Be referred to the related public agencies, regulators or law enforcement agencies;
or
- 3) Trigger any other action in the best interests of the Group.

The actions taken by the Group after the investigation is completed include disciplinary action, termination of employment or preventive measures.

10. Untrue Report

Where the whistle-blower makes an untrue report for an inappropriate purpose or for personal gains, the Group will reserve the right to take appropriate action against any person (employee or Stakeholder) to recover any loss or damage resulting from the untrue report. The employee who makes the untrue report may face disciplinary action, including dismissal.

11. Anonymous Report

The Group respects the intent of the whistle-blower to make anonymous report sometimes. We accept the anonymous report, which, however, may render the Company incapable of obtaining further information from the whistle-blower to make an appropriate evaluation and follow up the event. Therefore, we encourage the whistle-blower to disclose his or her identity and contact information in order for the Group to seek further information when necessary and respond to the report.

12. Record and Archive

The Group shall keep records all misconduct, malpractice and noncompliance events reported.

If the reported misconduct, malpractice or noncompliance event is investigated, the Group shall make sure all related information, including details of the corrective action, shall be completely recorded and saved.

13. Review and Supervision

This Policy will be reviewed at regular intervals to ensure its pertinence and validity and reflect regulatory provisions and good corporate governance practices.

14. Language

This Policy is made in Chinese and English. In the case of any discrepancies between the English and Chinese versions, the Chinese version shall prevail.