

Whistleblowing Policy

1. Purpose

- 1.1. ASTRI is committed to maintaining the highest standards of professional integrity and protecting the public interest. This policy is established to enable its staff members and relevant external parties to express concerns over any misconduct of ASTRI's employees or malpractices in ASTRI's operations in good faith and on a confidential basis, without fear of reprisal or retaliation.
- 1.2. Such concerns may be related to actual or perceived violation of ASTRI's company policies and procedures, legal or regulatory requirements, fraudulent activities or misrepresentations of financial statements and records or any matters mentioned in paragraph 2.3 below. The party who expresses these concerns on a confidential basis is considered a whistleblower for the purposes of this policy.

2. Scope

- 2.1. A whistleblower can be any staff member of ASTRI (including an employee or a consultant of ASTRI) and relevant external parties.
- 2.2. The whistleblowing policy and procedures do not generally apply to reports which are specifically covered by other established policies and procedures of ASTRI, including the procedures of Handling Complaints and Grievances, Workplace Policy (Anti-Discrimination/Harassment) and Performance Management and the matter concerned is opinion-based (e.g. management style).
- 2.3. The whistleblower may report activities that constitute suspected misconduct or malpractice which may be detrimental to the public interest or ASTRI's reputation. Examples of such activities include any of the following:
 - Violation of the law or regulation, or ASTRI's policies and procedures;
 - Loopholes or weaknesses in ASTRI's internal controls;
 - Fraudulent manipulation of data or records;
 - Improper selection of suppliers or service providers not in accordance with the relevant procurement policies, processes or procedures;
 - Financial irregularities (including fraud or suspected fraud or deficiencies in internal control or error in preparations of Financial Statements or misrepresentation in financial reports);
 - Wastage or misappropriation of ASTRI's funds or assets; and
 - Deliberate concealment of information relating to any of the matters listed above.
- 2.4. To enable access by staff members and relevant external parties to this policy and to demonstrate ASTRI's commitment to the highest standard of corporate governance, this policy is made available on the staff intranet as well as the Company's website.

3. Responsibility

- 3.1. Management should create an environment for the employees to raise legitimate concerns to the Head of Department, Internal Audit, in his/ her capacity as the Compliance Officer, without fear of reprisals or retaliation.
- 3.2. The Audit Committee has the overall responsibility for this policy, but has delegated the day-to-day responsibility of overseeing and implementing it to the Compliance Officer. All whistleblowing reports (including anonymous reports) received by the Management shall be referred to the Compliance Officer for handling.
- 3.3. A whistleblower should report to the Compliance Officer any suspected misconduct or malpractice which could have an adverse impact on the reputation, operations or performance of the business of ASTRI. In the event that the Compliance Officer is the subject of the report, the whistleblower should report the matter directly to Chief Executive Officer (“CEO”). A whistleblower should provide correct information in full details and supporting evidence of the matter concerned to the best of his/ her knowledge within the agreed time frame upon request if an investigation is to proceed. A whistleblower should include his/ her name in the whistleblowing report he/ she submitted.
- 3.4. The Compliance Officer shall maintain a record of all received whistleblowing reports, investigation materials, records of the meetings and actions taken, communications with the parties concerned, as well as the final decision. The Compliance Officer shall also provide an update on all the whistleblowing reports received to the Audit Committee on a quarterly basis.

4. Procedures

4.1. Submission of a Whistleblowing Report

- 4.1.1. The whistleblower shall report his/ her concerns in writing to the Compliance Officer, stating all the facts in relation to the matter reported and the reasons for his/her concerns, with supporting evidence (if available and applicable).
- 4.1.2. Subject to paragraph 4.2.1, the identity of both the whistleblower and the person(s) against whom the allegations are made should be clearly specified in the whistleblowing report.
- 4.1.3. The contact details of the Compliance Officer are as follows:

Compliance Officer
Internal Audit Department
Hong Kong Applied Science and Technology Research Institute Company Limited
5/F, Photonics Centre, 2 Science Park East Avenue
Hong Kong Science Park, Shatin, Hong Kong SAR

Email address: comply@astri.org

- 4.1.4. If the whistleblower believes that the Compliance Officer may have any potential or actual conflict of interest in the matter to be reported, he/ she should report the issue to the CEO for handling in accordance with paragraph 4.2.

4.2. Handling of a Whistleblowing Report

- 4.2.1. Upon receipt of a whistleblowing complaint, the Compliance Officer will assess whether the whistleblowing report fulfils the conditions described under the Scope of this policy.
- 4.2.2. If the whistleblowing report is anonymous, the Compliance Officer may assess the seriousness of the issue raised, the credibility of the information disclosed, the prospects of being able to investigate the matter, fairness to any individual(s) mentioned in the allegations, whether the report is opinion-based and lacks prima facie evidence of non-compliance, then decide whether to investigate or act upon the matter raised in the anonymous report.
- 4.2.3. Under normal circumstances, the Compliance Officer or his/ her delegate will send an acknowledgement to the whistleblower within 7 calendar days after receiving the whistleblowing report, if the contact details of the whistleblower are available.
- 4.2.4. The Compliance Officer shall evaluate the matter reported and determine the follow-up action to be taken in consultation with the CEO (or the Chairman of the Audit Committee if CEO has a potential or actual conflict of interest). Depending on the nature of the matter, the following actions may be taken by the Compliance Officer:
 - To dismiss the whistleblowing report, and to inform the whistleblower of the reason for the dismissal; or
 - To refer the matter to the relevant Chief Function Officers for handling in accordance with the existing company policies and procedures at ASTRI (e.g., procedure for Handling Complaints and Grievances, Workplace Policy (Anti-Discrimination/ Harassment)); or
 - To establish an assessment panel to determine whether there is prima facie evidence in the report and decide whether it is justified for further actions stated in this paragraph 4.2. If an assessment panel is set up, the panel should include the Compliance Officer, and 2 additional staff members represent an appropriate level of seniority and representation, and avoid potential conflict of interest; or
 - To investigate the matter reported, or engage a trusted external party for an independent investigation; or
 - To refer the matter to an external law enforcement body.

- 4.2.5. The Compliance Officer should consult the Chairman of the Audit Committee if the allegation involves serious or highly sensitive issues (e.g. senior management fraud and irregularities).
- 4.2.6. If an individual, such as a Chief Function Officer, has a potential or actual conflict of interest in dealing with the report, he/ she should refrain from participating in the entire process.
- 4.2.7. If the CEO has a potential or actual conflict of interest, the Chairman of the Audit Committee shall, in his/ her discretion, establish an assessment panel, to conduct a preliminary review of the whistleblowing report. The assessment panel should include the Chairman of the Audit Committee, 2 members from the Board of Directors and the Compliance Officer or delegate as secretary. The assessment panel will evaluate the whistleblowing report and decide whether it is justified for further investigation. Based on the results of the assessment panel, the following actions may be taken by the Compliance Officer.
- To dismiss the whistleblowing report, and to inform the whistleblower of the reason for the dismissal; or
 - To investigate the matter reported, or engage a trusted external party for an independent investigation; or
 - To refer the matter to an external law enforcement body.
- The procedure in accordance with paragraph 4.2 to be followed for the investigation.
- 4.2.8. If an internal investigation is conducted, it should be done fairly and properly. The person(s) against whom the allegations are made shall be made aware of such allegations and be given a reasonable opportunity to respond to such allegations.
- 4.2.9. The Compliance Officer may take any action deemed appropriate or necessary, including the seeking of further information or evidence from relevant persons within an agreed timeframe to facilitate the investigation of the allegation as soon as practicable. Evidence submitted after the agreed submission period will not be considered.
- 4.2.10. The Compliance Officer shall provide the CEO (or the Audit Committee if CEO has a potential or actual conflict of interest) with an investigation report on the findings, the recommended disciplinary, corrective or remedial actions if the investigation concludes that an improper act has been committed. Such a recommended action should adhere to the applicable disciplinary procedures.

4.3. Appeal Procedure

4.3.1. If the whistleblower believes that the process mentioned in this policy has not been followed, or is not satisfied with the outcome of the investigation with legitimate reasons, an appeal may be made to the Chairman of the Audit Committee in writing within 14 calendar days from the issuance of the notification of the outcome. The contact details of the Chairman of the Audit Committee are as follows:

Chairman of the Audit Committee
Hong Kong Applied Science and Technology Research Institute
Company Limited
5/F, Photonics Centre, 2 Science Park East Avenue
Hong Kong Science Park, Shatin, Hong Kong SAR

Email address: ACChair@astri.org

4.3.2. Upon the receipt of the appeal against the process or outcome, the Chairman of the Audit Committee shall, in his/ her sole discretion, discuss with the Audit Committee whether the investigation undertaken and/or the outcome thereof was appropriate and whether further investigation should be undertaken.

4.3.3. If further investigation is required or justified, the Audit Committee shall designate an appropriate party to undertake the further investigation. The party dealing with the appeal will undertake any further investigations considered as necessary. The Chairman of the Audit Committee's decision on the case should be final.

4.4. Closure of a Whistleblowing Report

4.4.1. If a whistleblowing report is dismissed as per Section 4.2.3 above where the Compliance Officer, the CEO or the Audit Committee (as the case may be, in accordance with this policy) considers that an investigation is not warranted or not justified, the whistleblowing report is deemed closed;

4.4.2. A whistleblowing report shall be closed when, upon completion of the investigation of the matter concerned, a ruling is made that the report is not substantiated.

4.4.3. Should the whistleblowing report be substantiated, it shall be closed only when a decision on the course of action to be taken is made by the CEO (or the Audit Committee if the CEO has a potential or actual conflict of interest).

4.4.4. The whistleblower will be informed of the progress and outcome of the investigation in general terms, if appropriate. However, ASTRI has the discretion not to provide the whistleblower with any details of the investigation and/or any recommended actions for reasons of confidentiality.

For the avoidance of doubt, where the whistleblower is anonymous, the Compliance Officer has the discretion whether to inform the whistleblower the reason for the dismissal (if applicable) or any progress or outcome of the case as he/she deems appropriate.

5. Non-reprisal for Whistleblowing

5.1. ASTRI will not tolerate any retaliation against those who, in good faith, report concerns under this policy or those who participate in investigations. Any ASTRI employee making a whistleblowing report under this policy is assured of the protection against unfair dismissal, victimization or unwarranted disciplinary action even if the whistleblowing report turns out to be unsubstantiated or unjustified. Any other person assisting in the said investigation shall also be protected to the same extent as the whistleblower. The protection is available provided that:

- The communication or disclosure is made in good faith; and
- He/ She is not acting for personal gain.

5.2. On the other hand, expressions of concern made frivolously, in bad faith or groundless are considered malicious and that may constitute defamation. Besides, the investigation of a whistleblowing report usually involves a lot of time and resources at various levels of ASTRI (such as interviewing colleagues and relevant parties, reviewing of records, documenting the investigation findings, etc.), regardless of whether the allegations are substantiated or not. While a whistleblower is protected by paragraph 5.1 of this policy, lodging a malicious whistleblowing report is considered an unethical behaviour and may result in disciplinary action or legal repercussions for the whistleblower(s).

6. Confidentiality

6.1. Whistleblowers can be assured that ASTRI will strictly comply with the Personal Data (Privacy) Ordinance (“PDPO”) in the handling of the whistleblower’s personal data and will keep the whistleblowing report and any information or documents provided by the whistleblower confidential in accordance with the applicable law and the applicable ASTRI policies and procedures.

6.2. All parties involved in the procedures under this policy must comply with the PDPO and must keep the whistleblowing report and any information or documents provided by the whistleblower confidential in accordance with the applicable law and the applicable ASTRI policies and procedures. Any violation of the confidentiality obligations hereunder by an employee of ASTRI will be regarded as a serious breach of this policy and will be subject to appropriate disciplinary action, up to and including dismissal.

7. Record

- 7.1. The Compliance Officer will maintain a record of all received whistleblowing reports, investigation materials, records of the meetings and actions taken, communications with the parties concerned as well as the final decision, for up to 7 years.