



Prinx Chengshan Holdings Limited

浦林成山控股有限公司

Stock Code: 1809.HK

Whistleblowing Policies and Procedures

(Approved by the Board of Directors and be effective since December 19, 2023)

1. Purpose

Prinx Chengshan Holdings Limited (together with its subsidiaries, collectively referred to as the "Company") is committed to conducting business in accordance with high ethical, moral and legal standards. In order to honor this commitment, promote anti-corruption and anti-bribery work in business activities, and encourage employees and relevant interest groups (including but not limited to customers, suppliers and other shareholders) to report any fraud to the Company, this policy is formulated.

2. Applicability

This regulation applies to all departments, individuals and all customers and suppliers who have business or economic dealings with the Company.

3. Specific contents

3.1 Whistle-blowing channels

The Company's anti-fraud reporting channels include: reporting mailbox, ethics hotline, the Company's DingTalk management platform and reception room.

3.1.1 Channels for Reporting of the general staff

- 1) Ethics hotline: 0631-7520235
- 2) DingTalk: the Internal Audit department
- 3) Reception room: A213, Prinx Chengshan Eastern Office area in Rongcheng, Shandong

3.1.2 Channel for Reporting of the senior management

Any anti-fraud reporting of the senior management via email (whistleblower@prinxchengshan.com).

3.2 Anti-fraud handling procedures

The Internal Audit department will receive reports on fraud cases and record relevant information. Upon approval by the Development Strategy and Risk Management Committee, the fraud cases will be investigated, fraud evidence will be collected, an anti-fraud investigation report will be issued and reported to the Board of Directors, and the handling of fraud cases will be followed up according to the recommendations of the Development Strategy and Risk Management Committee.

3.3 Filing of non-compliance cases

After receiving a report or discovering a suspected case of non-compliance, the Internal Audit department shall determine whether the non-compliance is within the scope of the matters to be handled in this process according to the specific situation. If the report is not within the scope of acceptance, it shall be transferred to the person in charge of the functional centre; If within the scope of the Acceptance, the following procedures shall apply:

3.3.1 Register the "Report Acceptance Log" of violations or suspected violations, together with relevant supporting materials, to the responsible leader and president for review, and file the case after approval and authorization.

3.3.2 The Internal Audit department will confirm the content and information of the complaint within 3 working days, and provide timely feedback to the whistleblower.

3.4 Investigation of non-compliance cases

3.4.1 The Internal Audit department shall formulate an investigation plan and establish an investigation team, which shall include but not limited to personnel in charge of Human Resources and Legal affairs, upon the acceptance of suspected violations.

3.4.2 For reports accused of the general staff that are suspicious but not confirmed, the staff of the Internal Audit department, the Legal department and other personnel deemed appropriate by the committee will be required to conduct independent review based on their priority.

3.4.3 If the report involves senior management of the Company, a special investigation team will be set up for joint investigation after approval by the Development Strategy and Risk Management Committee of the Company.

3.4.4 In conducting such investigations, in the case of serious violations, to consider engaging independent legal advisers to investigate and report to the auditors, government authorities or regulatory authorities as appropriate. Once a reasonably suspected case involves a criminal offence, it should be reported to the law enforcement authorities in a timely manner.

3.5 Reporting and handling of non-compliance cases

3.5.1 Reporting of non-compliance cases

After the investigation is completed, the investigator will sort out and summarise, and form an “investigation report on violations”. The contents of the report generally include, but are not limited to the following:

3.5.1.1 The course and findings of the investigation (the process of tracking and feedback on the reported behaviour is clearly documented, including necessary evidence, which may include external or internal documents, e-mail or electronic document information, etc.).

3.5.1.2 Conclusion of the case: the authenticity and severity of the behaviour, the impact on the Company’s risks, etc.

3.5.1.3 Case handling recommendations: including measures to be taken for non-compliance cases and penalties to relevant parties of non-compliance cases.

3.5.1.4 Case corrective preventive measures.

3.5.2 Handling of non-compliance cases

3.5.2.1 The management will report the completed whistleblowing investigation to the Development Strategy and Risk Management Committee and make recommendations for handling. The recommendations, once determined by the Committee, will be adopted or submitted to the Board in a timely manner.

3.5.2.2 The Board shall make a final decision on the handling of the non-compliance case and shall disclose the matter directly to the shareholders’ meeting or to the public or external auditors through the Company Secretary, if necessary. The internal control of the affected business units shall be evaluated and recommendations for improvement shall be made.

3.5.2.3 The Internal Audit department will file the reports and resolutions of the non-compliance cases after investigation and handling in a timely manner in accordance with the requirements of the archiving work.

3.6 Prohibition against illegal retaliation

3.6.1 The Company protects all employees who lawfully report or participate in the investigation, and prohibits illegal discrimination, retaliation and hostility against whistleblowers.

3.6.2 The Company strictly protects the relevant information of the whistle-blower, and if necessary, it can help the whistle-blower who may or has been hit or retaliated to change their positions and areas according to the wishes of the whistle-blower.

3.6.3 Any person who cracks down on or retaliates against the whistle-blower will be subject to demotion, transfer, dismissal, termination of labour contract and other sanctions.

3.6.4 Where a crime is constituted, the case shall be transferred to the judicial authority for criminal liability.

3.7 Confidentiality Mechanism

3.7.1 It is strictly forbidden to disclose the reporting materials and the relevant information of the whistle-blower to the reported department, the reported person and/or its superior department.

3.7.2 If the investigation or the information of the whistle-blower is intentionally or inadvertently divulged, the case will be subject to penalties such as demotion, transfer, dismissal and dismissal.

3.7.3 The recipient of the report is responsible for the unified management of the report files. No one shall provide or disseminate the report files without authorization. The review, extraction, copy and lending of the report files shall be subject to the approval of the authorised leaders at different levels.

3.8 Consequences of false reporting

If false or malicious allegations are made intentionally or irresponsibly, penalties will be imposed, including but not limited to termination of employment contract.

3.9 Incentive Mechanism

Investigation and punishment	Impact of non-compliance	Scenario 1	Scenario 2	Scenario 3
The serious violations of the investigation and punishment, and the very bad nature of the behaviour have caused significant adverse effects or major economic losses to the Company	The amount of violation is more than RMB 500,000 (inclusive) and the loss is stopped or the direct economic loss is more than RMB 100,000 (inclusive)	RMB 300-5,000	RMB 100-1,000	RMB 50-500
	Compliance with judicial (administrative) processing standards	RMB 100-1,000	RMB 50-500	RMB 20-200
	Significant dishonest acts of personnel at all levels of the Company and causing significant losses to the Company	RMB 100-500	RMB 50-300	RMB 20-200
The problems investigated and punished were serious and the nature of the acts was bad, which caused significant adverse effects or significant economic losses to the Company	Non-compliance amount above RMB 50,000 (inclusive) and below RMB 500,000, and stop loss or recover direct economic loss above RMB 5,000 (inclusive) and below RMB 100,000	RMB 100-500	RMB 50-300	RMB 30-200
The small number of problems investigated and investigated cause less adverse effects or less economic losses to the Company	The amount of violation is less than RMB 2,000 (inclusive) and less than RMB 500,000, and the loss or recovery is above RMB 5,000 (inclusive) and less than RMB 5,000 Direct economic loss	RMB 10-200	RMB 10-100	RMB 5-50

Notes:

Scenario 1: Provide the reported party with detailed information on illegal facts, clues and direct evidence, actively assist in investigation and punishment, and the content of the report is completely consistent with the illegal facts.

Scenario 2: Provide the reported party with illegal facts, clues and some evidence, and not directly assist in investigation and punishment, and the content of the report is consistent with the illegal facts.

Scenario 3: Whistle-blowers provide the reported party with illegal facts or clues, cannot provide relevant evidence or assist in investigation and punishment, and the content of the report is basically consistent with the facts of investigation and punishment.

4. Relevant documents

4.1 Anti-fraud Policy

4.2 Guidelines for Anti-fraud Operation

5. Interpretation Vesting

This provision is ultimately interpreted by the Internal Audit department.

6. Appendix

Report Acceptance Log