

Yip's Chemical Holdings Limited

(the “Company”)

GP. 16 – Whistleblowing Policy (An excerpt)

1. Objective

Yip’s Chemical Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are committed to achieving and maintaining the highest standards of openness, probity and accountability, and “integrity” attitude that is one of the Group's corporate cultures to conduct business fairly with transparency. In line with this commitment, the Company expects and encourages employees of the Group and third parties who deal with the Group (e.g. business partners and suppliers as well as the general public) to report to the Company any suspected impropriety, misconduct or malpractice within the Group in a confidential manner. To this end, the Company has devised a whistleblowing policy (the “Policy”) and publishes an excerpt of the Policy on the Company's website.

2. Scope

2.1 The Policy applies to all employees of the Group as well as third parties who deal with the Group.

2.2 Whilst it is impossible to provide an exhaustive list of the activities that constitute impropriety, misconduct or malpractice, the Policy is intended to cover serious concerns that could have an impact on the Group, which include but are not limited to:

- criminal offences;
- breach of legal or regulatory requirements;
- miscarriage of justice;
- malpractice, impropriety or fraud in financial reporting, internal control or other financial matters of the Group;
- breach of rules, policies or internal controls of the Group;
- endangerment of the health and safety of an individual;
- discrimination or harassment;
- damage caused to the environment;
- professional, ethical or other malpractices or wrongdoings;
- improper conduct or unethical behaviour likely to prejudice the reputation of the Group; and
- deliberate concealment of any of the above.

- 2.3 Please note that complaints or reports related to the Group's services or products are normally not reported under the Policy, unless they involve improprieties (including but not limited to the circumstances mentioned in paragraph 2.2). Such matters are handled by the relevant functions of the Group, for example, customer complaint centres or sales representatives.
- 2.4 While the whistleblower might not be able to provide absolute proof of such improprieties, the report must clearly state the reason for the report and that the whistleblower reasonably believe that:
- (i) his or her report proves that one or more of the improprieties (including but not limited to the circumstances mentioned in paragraph 2.2) happened in the past, is happening now or is likely to happen in the future; and
 - (ii) such event compromises the reputation and standing of the Group and/or the interests of the Company's shareholders, investors, customers and investing public.

3. Protection

A whistleblower making a genuine and appropriate report in good faith under the Policy is assured of protection against dismissal, harassment, persecution or any form of retaliation, even if the report subsequently turns out to be incorrect or unsubstantiated. Harassment, persecution, retaliation or threat to initiate retaliation against a whistleblower by anyone (whether an employee or a third party who deals with the Group) is deemed as gross misconduct, which if proven, the Group reserves the right to take appropriate actions against such person. Any employee who initiates harassment, persecution, or retaliation against a whistleblower will be subject to disciplinary action, which may include summary dismissal.

In making a report, the whistleblower should exercise due care to ensure the accuracy of the information. If a whistleblower makes a false report maliciously with an ulterior motive or for personal gain, or makes false or malicious allegations irresponsibly, the Group 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 summary dismissal.

The Company encourages whistleblowers to identify themselves when making a report. Inability to obtain further information from the whistleblower may render the Company's formal investigation more difficult, delay the progress of the investigation or render it impossible to continue the investigation.

However, the Company will accept anonymous report if the report contains sufficient information for investigators to properly conduct an investigation. Insufficient information and/or missing contact information in the report may delay or prevent the Company from conducting further investigation. The Company may discontinue the investigation and the Company's decision will be regarded as final. Under certain circumstances, the Company retains the discretion to re-open the investigation, for example, in light of new relevant material information and availability of records.

4. Confidentiality

Each report will be kept confidential. The Group will make every effort, within its capacity, to keep a whistleblower's identity confidential. The Group endeavours to inform a whistleblower in advance if his or her identity is likely to be 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.

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.

5. Procedures

5.1 Making a report

5.1.1 A report may be made in person, in writing and/or by post to the audit committee of the Company (the "Audit Committee") at 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong or by email to ac@yipschemical.com. The chairman of the Audit Committee shall determine the course of action to pursue with respect to the report, with power to delegate to other to handle the matter;

5.1.2 A report can be made by using the standard form (Whistleblowing Report Form) attached hereto as Annex I which may be sent by post or by email to the Audit Committee;

5.1.3 All written reports by post shall be sent in a sealed envelope clearly marked "Strictly Private and Confidential – To be Opened by Addressee Only" and addressed to the chairman of the Audit Committee to ensure its confidentiality;

5.1.4 Each whistleblower is required to provide details of improprieties (including relevant incident(s), behaviour, activity(ies), name(s), date(s), place(s) and any other relevant information) on the report together with any supporting evidences; and

5.1.5 Personal details of the whistleblower (including name, department/business unit, company, contact number, relationship with the complaine, address or email address) are not required but are encouraged to be provided so as to facilitate the investigation and such details will be kept strictly confidential.

5.2 Investigation procedures

The format and length of an investigation will vary depending upon the nature and particular circumstances of each report made.

If the whistleblower is not an employee, he or she must sign a confidentiality agreement prior to receiving information on the outcome of the investigation or related summary (as determined by the chairman of the Audit Committee as appropriate).

Annex 1
Yip's Chemical Holdings Limited
(the "Company")
Whistleblowing Report Form

STRICTLY PRIVATE AND CONFIDENTIAL - TO BE OPENED BY ADDRESSEE ONLY

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability, and "integrity" attitude that is one of the Group's corporate cultures to conduct business fairly with transparency. In line with this commitment, the Company expects and encourages employees of the Group and those who deal with the Group (e.g. business partners and suppliers as well as the general public) to report to the Company any suspected impropriety, misconduct or malpractice within the Group in a confidential manner.

The Company's Whistleblowing Policy aims to provide reporting channels and guidance on reporting possible impropriety, misconduct or malpractice in matters relating to the Group, and reassurance to whistleblower of the protection that the Group will extend to them against dismissal, harassment, persecution or any form of retaliation for any genuine and good faith reports made under the Policy.

If you wish to make a report, please use this Form. You may send the report in the Form, in a sealed envelope clearly marked "Strictly Private and Confidential – To be opened by Addressee only" and addressed to the Chairman of the Audit Committee of the Company, by post to the address below or by email to ac@yipschemical.com. The Company will handle your report with care and confidentially in accordance with the Policy.

Please read the excerpt of the Whistleblowing Policy carefully before you fill in this Form.

To: Chairman of the Audit Committee of the Company	
Office address: 27/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wanchai, Hong Kong	
Your Name/Contact Telephone Number and Email (<i>optional but strongly encouraged to facilitate the investigation by the Group</i>)	Name: _____ Employee <input type="checkbox"/> Other Stakeholder <input type="checkbox"/> (please specify: _____) Relationship with the complainee: _____ Address: _____ Telephone number: _____ Email: _____ Date:

Details of concerns:

Please provide full details of persons involved such as names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence.

Personal Information Collection Statement

All personal data collected will only be used for purposes which are directly related to the whistleblowing case you reported. Any anonymous reports not supplying such personal data in general may not be acted upon or hard to follow up investigation. Therefore, it is strongly recommended by the Group that the report should not be made anonymously. The personal data submitted will be held and kept confidential by the Group and may be disclosed as appropriate to persons or organisations with whom we will contact during our handling of this case, including the party being complained against or other persons or organisations concerned. The information provided may also be disclosed to law enforcement authorities or other concerned units. Where relevant, under the Personal Data (Privacy) Ordinance of Hong Kong, you shall have the rights to request access to and correction of your personal data. If you wish to exercise these rights, requests should be made in writing to the Chairman of the Audit Committee of the Company at office address shown in the Form.