

PACIFIC TEXTILES HOLDINGS LTD.

互太紡織控股有限公司

《WHISTLE-BLOWING POLICY》

Whistle-blowing Policy

1. Introduction

1.1 Pacific Textiles Holdings Limited (“PTHL”) and its subsidiaries (all together named as the “Group”) believes that honesty, integrity and fair play are important company assets in business. It is critical for all directors and staff members to ensure that the Group’s reputation is not tarnished by dishonesty, disloyalty or corruption. To this end, the Group has devised this **Whistle-blowing Policy (the “Policy”)** which outlines the internal procedures and confidential channel of the Group for whistle-blowing. The content of this Policy is applicable both inside and outside Hong Kong.

2. Purpose

2.1 The purpose of this Policy is to encourage whistle-blowers to feel confident in raising concerns about misconduct, malpractice or irregularities in any matters related to the Group.

2.2 Whistleblowing matters may include but are not limited to:

- Impropropriety, corruption, fraud, theft or misuse of the Group’s assets;
- Breach of any applicable legal or regulatory requirements;
- Malpractice or fraud relating to financial reporting, accounting, auditing, internal controls, and other financial matters;
- Conflicts of interest without disclosure; and
- Any other improper matters which may cause financial/non-financial loss or reputational damage to the Group.

3. Reporting Channel

3.1 The Company has established the following confidential reporting channels for our employees, business partners and suppliers as well as the general public to raise concerns in relation to fraudulent acts, unethical acts such as corruption or bribery, or non-compliances with laws and/or the Company’s policies without fear of harassment, threats or acts of retaliation or any type of discrimination for having done so.

3.2 Whistle-blowers should raise their concerns in writing via mail or email to members of the Group’s Whistle-blowing Committee (Chief Financial Officer, Head of Human Resources and Head of Internal Audit).

i) Mail: Unit B1, 7/F, Block B, Eastern Sea Ind. Building,
48-56 Tai Lin Pai Road, Kwai Chung, NT, Hong Kong.
(Clearly marked “Strictly Private & Confidential - To be opened by Addressee only”)

ii) Email: PTHLWBCommittee@pacific-textiles.com

3.3 Whistle-blowers should provide case specific information so that investigations can be conducted effectively. Whistle-blowers are encouraged to disclose their identity and contact details so that they can be contacted for further information, if necessary, and feedback on the complaints can be provided. Anonymous reports will not be considered and processed generally.

3.4 Every effort will be made by the Group to keep the whistle-blowers identity confidential and all concerns raised will be treated in a strict confidentiality. However, the Group may be required or legally obliged to divulge the identity of the whistle-blowers in case of an investigation by the relevant regulatory or enforcement authority.

3.5 Whistle-blowers making a genuine and appropriate complaint through this channel will be assured of fair treatment. The Group reserves the right to take appropriate actions against anyone who initiates or threatens to initiate retaliation against those who have made such complaint. However, the Group will not tolerate whistle-blowers making malicious allegations or for personal gain only.

4. Investigation

4.1 The Group will evaluate each complaint and determine whether a full investigation is appropriate. The format and details of an investigation will depend on the nature and particular circumstances of each complaint made. The matters raised may be:

- Investigated by the Internal Audit Department;
- Referred to the Audit Committee; or
- Referred to the relevant regulatory or enforcement authority.