

STRONG PETROCHEMICAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00852)

Whistleblowing Policy

1. Introduction

Strong Petrochemical Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is committed to achieving and maintaining the highest possible standards of openness and accountability, as well as preventing, detecting and reporting any fraud. Employees at all levels, including full-time, part-time and contract employees, are expected to conduct themselves with professionalism, integrity, impartiality and honesty. It also applies to directors, officers, as well as joint ventures or companies in which the Company holds a controlling interest. It is every employee’s responsibility and in all interest of the Group to ensure that any inappropriate behavior that compromise the interest of the shareholders, investors, customers and the wider public does not occur.

2. Policy

The purpose of the Whistleblowing policy is to provide wider public with reporting channels and guidance on whistleblowing. The term “whistleblowing” refers to a situation where a person (the “Whistleblower”) decides to report serious concerns about any suspected irregularity, misconduct or malpractice which he or she has become aware of or genuinely suspects that any staff members of the Group have been or may become involved in. It is not designed to further any personal disputes, question any business decisions taken by the Group nor should it be used to reconsider any issues which have already been addressed under the Group’s policies and procedures.

In this policy, fraud is defined as acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Examples of conduct that would be considered fraudulent include:-

- ◆ Breach of legal or regulatory requirements;
- ◆ Criminal offences, breach of civil law and miscarriage of justice;
- ◆ Misuse of resources (e.g. theft of materials);
- ◆ Endangerment of the health and safety of an individual or the environment;
- ◆ False invoicing or settlement of contracts;
- ◆ Improper use of commercially sensitive information;

- ♦ Unauthorized trading activities or collusive activity with trading counterparties or competitors;
- ♦ Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- ♦ Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Group;
- ♦ Activities, which otherwise by law, treaty or agreement amount to serious improper conduct (e.g. discriminatory practices, use of child labour, human right violations)
- ♦ Deliberate concealment of any of the above.

3. Protection for Whistleblowers

Whistleblowers making genuine and appropriate complaints are assured of protection against unfair dismissal, victimization or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated.

In particular, employees who victimize or retaliate against those who have raised concerns will be subject to disciplinary actions, which may include summary dismissal.

4. Confidentiality

The Group will make every effort to keep the Whistleblower's identity confidential. In order not to jeopardize the investigation, the Whistleblower should also keep the confidential fact that he or she has filed a report, the nature of concerns and the identity of those involved.

There may be circumstances in which, because of the nature of the investigation, it will be necessary to disclose the Whistleblower's identity. If such circumstances exist, the Group will endeavour to inform the Whistleblower that his or her identity is likely to be disclosed.

Should an investigation lead to a criminal prosecution, it may become necessary for the Whistleblower to provide evidence or be interviewed by relevant authorities.

In some circumstances, the Group may have to refer the matter to relevant authorities without prior notice or consultation with the Whistleblower.

5. Anonymous Report

As the Group takes reporting of misconducts, malpractices and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, anonymous reports in general will not be acted upon. Therefore, it is strongly recommended that the report should not be made anonymously.

6. False Report

If the Whistleblower makes a false report maliciously, with an ulterior motive, without reasonable grounds that the information in the report is accurate or reliable, or for personal gain, the Whistleblower may face disciplinary action, including the possibility of dismissal.

7. Reporting Process

Suspected cases of fraud shall be made in writing in the standard report form attached to this policy as Annex I. They should be reported in good faith to the Compliance Officer. If the concerns raised involve a director of the Company or the Compliance Officer, the whistleblower may, at his or her own discretion, choose to report directly to Chairman of the audit committee of the Company (the “Audit Committee”) by post at the same address stated in the standard report form, or by email to ac@strongpetrochem.com.

8. Investigation Procedures

Any report will be acknowledged receipt by the Compliance Officer within three working days. The Compliance Officer will manage and evaluate the report and decide whether a full investigation is required. The Compliance Officer shall report the status to the Management and monitor the investigation confidentially. After investigation, the Compliance Officer or the Management will produce a report to the Audit Committee stating the findings, results of the investigation and corrective actions taken to resolve substantiated frauds.

9. Record Retention

Records shall be kept for all reported misconducts, malpractices and irregularities in the Group under this policy. In the event a reported case leads to any investigation, the party responsible for leading/conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding six years (or whatever other period may be specified by any relevant legislation).

10. Responsibility for Implementation and Monitoring of Policy

The Audit Committee has overall responsibility for implementation, monitoring and periodic review of this policy but has delegated day-to-day responsibility for administration of the policy to the Compliance Officer, who is a member of the Management team.

The Audit Committee will report fraudulent activities to the Board at least annually. This report will include the number of cases reported, the nature of important investigations and the results of

those investigations. This policy will be reviewed and updated, if necessary, annually. Any changes of this policy will be submitted to the Audit Committee for approval.

11. Effective Date

This policy is effective on 1 November 2015.

WHISTLEBLOWING REPORT FORM

Annex I

STRICTLY CONFIDENTIAL

TO BE OPENED BY ADDRESSEE ONLY

Strong Petrochemical Holdings Limited is committed to achieving and maintaining the highest possible standards of openness, probity and accountability. In line with that commitment the Group expects her employees who have concerns about any suspected misconduct or malpractice within the Group to come forward and voice those concerns.

It is recognized that in most cases the person raising concerns will wish to be dealt with on a confidential basis. All reasonable efforts will therefore be made to avoid revealing the person's identity.

To report the case, please use this report template. Once completed, this report becomes **confidential**. Please send the report, in a sealed envelope clearly marked "To be opened by addressee only" and addressed to The Compliance Officer or Chairman of the Audit Committee of the Company, by post to the relevant address below or by email to complianceofficer@strongpetrochem.com or ac@strongpetrochem.com.

Please read the Whistleblowing Policy carefully before you fill in this template.

To: The Compliance Officer / Chairman of Audit Committee of STRONG PETROCHEMICAL HOLDINGS LIMITED*	
Hong Kong Head Office: 8/F, Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong	
Your name / Contact Telephone Number and Email The Group encourages you to provide your name with this report. Concerns expressed anonymously are much less powerful but they will be considered as far as practicable.	Name: _____
	Address: _____
	Tel No.: _____
	Email: _____
	Date: _____
The names of those involved (if known):	
Details of concerns: Please provide full details of your concerns: names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence.	

* Delete as inappropriate