

CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED
(the “Company”)

CHINA MERCHANTS CHINA INVESTMENT MANAGEMENT LIMITED
(the “Investment Manager”)

WHISTLE-BLOWING POLICY

1. Introduction

- 1.1 The Company is committed to maintaining high standards of openness, probity and accountability. The Whistle-blowing Policy (the “**Policy**”) is an important part of our effective risk management and internal control systems. The Policy shall apply to the Company and the Investment Manager.
- 1.2 “Whistle-blowing” refers to a situation where an employee of the Company/the Investment Manager or a third party (e.g. supplier, investee company; collectively, “**Whistle-blower(s)**”) decides to report serious concerns about any suspected fraud, malpractice, misconduct or irregularity (“**Concern(s)**”), and it is usually a useful means of uncovering fraud, malpractice, misconduct or significant risk within an organisation.

2. Purpose of the Policy

- 2.1 To encourage and assist any employee of the Company/the Investment Manager or third party to raise Concerns and report it confidentially.
- 2.2 To provide reporting channels and guidance on raising Concerns to the employees of the Company/the Investment Manager or third parties.
- 2.3 To provide reassurance to Whistle-blowers of the protection that the Company/the Investment Manager will extend to them against unfair disciplinary action or victimisation for any genuine reports made.

3. Reportable Concerns

- 3.1 Some examples of Concerns that be reportable are:

- (a) Misuse or misappropriation of company assets or resources
- (b) Impropriety or fraud in relation to accounting, financial reporting, internal controls and auditing matters
- (c) Failure to observe the relevant code of conduct or internal control policy and procedures
- (d) Improper use of commercially sensitive data
- (e) Any action that endangers the environment or health and safety of the public
- (f) Non-compliance with laws and regulations
- (g) Miscarriage of justice

- 3.2 The reporting should be made only when there is reasonable belief that what is being reported is true and the disclosure must be made in good faith.

4. Protection for Whistle-blowers

- 4.1 Whistle-blowers making genuine and appropriate reports are assured of fair treatment. And they are also assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the Concerns may turn out to be unsubstantiated.
- 4.2 However, if Whistle-blowers make an untrue report maliciously, with an ulterior motive, or for personal gains, the Company/the Investment Manager reserves the right to take appropriate actions against any of them to recover any loss or damage as a result of the untrue report. In particular, employees of the Company/the Investment Manager may face disciplinary action.
- 4.3 Persons who victimise or retaliate against Whistle-blowers who have genuinely raised Concerns will be subject to disciplinary action.

5. Confidentiality and Anonymity

- 5.1 The Company/the Investment Manager will make every effort to keep the identity of Whistle-blowers and Concerns reported confidential. Likewise, Whistle-blowers are also required to keep confidential on the details of the Concerns reported.
- 5.2 The Concerns may be reported anonymously, if preferred. However, it is strongly recommended that the report should not be made anonymously as an anonymous allegation will hinder investigation as well as follow-up actions due to limited information.
- 5.3 There may be circumstances in which, because of nature of the investigation, the identity of Whistle-blowers has to be disclosed. Should such a circumstance exist, the Company/the Investment Manager will endeavour to take reasonable steps to protect Whistle-blowers from detriment.
- 5.4 In some circumstances, the Concerns reported may have to be referred to relevant authorities without prior notice of consultation with Whistle-blowers.
- 5.5 If an investigation leads to a criminal prosecution, it may become necessary for Whistle-blowers to provide evidence or be interviewed by relevant authorities.

6. Reporting Channels

- 6.1 Whistle-blowers should make their reports to the Compliance Officer of the Investment Manager (“CO”) by the following means:
 - (a) In writing, marked with “Strictly Private & Confidential – To be opened by Addressee Only” and addressed to the Compliance Officer, China Merchants China Investment Management Limited, 1604-09, Three Pacific Place, 1 Queen’s Road East, Hong Kong
 - (b) By email to: wb@cmcdi.com.hk

6.2 Should a report relate to the CO, Whistle-blowers may make their report in accordance with the above means but addressing to the Director & General Manager of the Investment Manager.

7. Investigation

7.1 All Concerns reported and corresponding follow-up actions will be recorded in a Whistle-blowing Register. And all Concerns reported with valid contact information will be followed up immediately.

7.2 The CO will first evaluate the validity and relevance of the cases received and to decide the categorisation of the cases for reporting. The result of evaluation will then be reported to the Director & General Manager of the Investment Manager, Chairman of the Investment Manager or Chairman of the Audit Committee of the Company (“**Audit Committee**”), as appropriate, for review. Where the preliminary evaluation reveals tangible and credible information meriting further enquiry, a fuller investigation will be launched.

7.3 Should there be sufficient evidence to suggest that a case of possible criminal offence exists, the matter together with the relevant information will be referred to relevant authorities, such as the Securities and Futures Commission, Independent Commission Against Corruption, Hong Kong Police Force. And once the matter is referred to relevant authorities, the Company/the Investment Manager will not be able to take further action on the matter.

7.4 Upon completion of an investigation, a report, including its impact and action plan, as applicable, will be prepared and submitted to the Director & General Manager of the Investment Manager, Chairman of the Investment Manager or Chairman of the Audit Committee, as appropriate, for review and consent.

7.5 Whistle-blowers (if identified) will be informed of the outcome of the investigation, normally within one month from the date of reporting, and will be informed if a longer period is needed for investigation.

8. Monitoring and Reviewing of the Policy

8.1 The Audit Committee is responsible for monitoring and reviewing the effectiveness of the Policy and the actions resulting from the investigation.

8.2 The Policy is subject to periodic review, and any amendments or updates to the Policy shall be reviewed by the Audit Committee and approved by the Board of Directors of the Company.

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