

WHISTLEBLOWING POLICY

(adopted on 29 February 2012 and modified on 23 March 2016)



1. PURPOSE

G-Resources Group Limited (the “Company”) is committed to high standards of ethical, moral and legal business conduct. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. In line with this commitment, the Audit Committee of the Company has established the Whistleblowing Policy (the “Policy”) to provide employees at all levels of the Company with an appropriate mechanism for raising serious concerns if the employee considers that raising such concerns through the normal chain of line management would not result in the matter being effectively dealt with.

2. POLICY

2.1 The Policy is designed to encourage employees to report, in good faith, alleged malpractices or misconduct. Whistleblowing matters may include, but not confined to:

- Breach of legal or regulatory requirements;
- Criminal offences, breach of civil law and miscarriages of justice;
- Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- Endangerment of the health and safety of an individual;
- Damage caused to the environment;
- Violation of the rules of conducts applicable within the Company;
- Improper conduct or unethical behavior likely to prejudice the standing of the Company; and
- Deliberate concealment of any of the above.

If an employee believes that there has been a breach of any of the above which is not being dealt with appropriately by line management, or considers that reporting through normal line management would not provide an appropriate investigation, or if the employee concerned considers the breach is related to his line management, then the employee may initiate action through this Policy.

3. PROTECTION AND CONFIDENTIALITY

- 3.1 The Company will make every effort to treat all disclosures in a confidential and sensitive manner after an employee reports a concern about any of the above matters. The identity of the whistleblower will be treated with appropriate regard for confidentiality. However, under certain circumstances, to assist with the investigation, the whistleblower's identity may become known or need to be revealed.
- 3.2 Harassment or victimization of the whistleblower by other parties as a result of the whistleblower's actions becoming known may result in dismissal of said parties.

4. UNTRUE ALLEGATIONS

In making a disclosure, individual employees should exercise due care to ensure the accuracy of the information. If the employee is mistaken, he/she will not be at risk of losing his/her job or suffering any form of retribution as a result provided that he/she is acting in good faith. On the other hand, disciplinary action will be taken against an employee deliberately raising false and malicious allegations. In an extreme case, vexatious or wild allegations could give rise to legal action on the part of the persons complained about.

5. PROCEDURE

The whistleblower should report the allegations or concerns to the Audit Committee by one of the following means:

- In writing, addressed to the Chairman of the Audit Committee at Hong Kong head office, in a sealed envelope clearly marked "Strictly Private and Confidential – To be Opened by Addressee" to ensure the confidentiality.
- By email to: whistleblowing@g-resources.com (This email address is only accessible by Audit Committee).

If any other directors or the chief executive receive a report of fraud, corruption and misconduct, he/she should refer it to the Audit Committee to advise action being taken and if the Chairman of the Audit Committee disagrees with the action being taken, then the matter will be taken over by the Audit Committee.

Employees are required to put their name to any disclosures they make. Anonymous complaints would usually not be considered. The Company will hold it a serious disciplinary offence for any person to seek to prevent a communication of malpractice concern reaching to the Chief Executive, the Chairman or the Chairman of the Audit Committee, or to impede any investigation which he/she or anyone on his/her behalf may make.

If there is evidence of criminal activity, activity of solicitation and acceptance of advantages or breach of legal and regulatory requirements, the party responsible for the internal investigation may legally be obliged to inform the relevant public or regulatory bodies such as the police, the Independent Commission Against Corruption, the Security and Futures Commission or other bodies as appropriate.

6. INVESTIGATION

The format and the length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. The matters raised may

- be investigated internally;
- be referred to the Police;
- be referred to the External Auditor; and/or
- form the subject of an independent inquiry.

The Chairman of the Audit Committee or the person designated to investigate the complaint will write to the complainant wherever reasonably practicable of the concern being received:

- acknowledging that the concern has been received;
- advising whether or not the matter is to be investigated further and if so what the nature of the investigation will be; and
- giving an estimate of how long the investigation will take to provide a final response; telling the complainant whether any initial enquiries have been made, and whether further investigations will take place, and if not, why not.

7. DISPUTE RESOLUTION MECHANISM

If the whistleblower is not satisfied with the response received and any subsequent action taken, he/she should put their concerns in writing to the Chairman of the Board who will arrange any further investigation as he thinks appropriate. A written response will be sent to the whistleblower afterwards.

8. COMPLAINT OF RETALIATION

Upon receipt of a complaint of retaliation, the Audit Committee shall initiate an investigation and as appropriate provide interim relief to the whistleblower, and take appropriate interim remedial action to address the underlying circumstances, and shall make appropriate recommendation to the Chief Executive.

The interim relief and actions to protect the rights of the whistleblower shall be separate processes from the investigation of the related underlying issues.

9. ACKNOWLEDGEMENT AND RECOGNITION

The Company places great value upon creating an environment where employees would maintain the highest standard of ethics, honesty, openness and accountability. The Company recognizes that it requires courage and personal quality such as righteousness, loyalty and impeccable integrity for an employee to step out and blow the whistle.