

HONG SENG CONSOLIDATED BERHAD

(formerly known as MSCM Holdings Berhad)

Registration No. 200101001581 (537337-M)

WHISTLEBLOWING POLICY & PROCEDURES

Revision Date : 30 September 2020

Custodian : Finance Department

WHISTLEBLOWING POLICY & PROCEDURES

1. Objective

This whistleblowing policy and procedures is to provide opportunity for employees, director and others to report serious concerns about risks of wrongful activities or reports a wrongdoing or to raise any concern or suspicious without fear of victimization or recrimination. It provides a mechanism for genuine concerns raised by individuals to be addressed in a responsible and effective manner and appropriate action to be taken to ensure that the matter is resolved effectively and within the Group wherever possible.

This policy shall apply to all employees of the Company and the Group.

The objective of the policy and procedure is to provide and facilitate a mechanism for any whistleblower to report concern about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse that affect others such as customers, suppliers, other employees, the Company or the public interest. Examples of issues may include:

- (a) commission of fraud and/or corruption;
- (b) unauthorised use of Company/Group's money, properties and/or facilities;
- (c) non-compliance with the Company's policies and procedures and/or code of conduct;
- (d) negligence/malpractice;
- (e) disclosure of Company's information without proper authorisation;
- (f) commission of acts which intimidate, harass and/or victimise any members of the Board of Directors, Management or staff of the Company;
- (g) abuse of position;
- (h) involvement in conflict of interest and/or business opportunities positions;
- (i) commission of unlawful acts;
- (j) exposure of Company's properties, facilities and/or staff to the risks of safety and security;
- (k) failure to meet professional standard; and
- (l) concealment of any of the above.

2. Anonymous Reporting

Whilst the Company encourages whistleblowers to identify themselves, they, may remain anonymous when reporting any wrongdoing as described above. Nevertheless, anonymous allegations will be taken seriously and investigated fully. However, investigations into anonymous allegations are likely to be limited by the sufficiency of the information provided.

3. Confidentiality

The identity of the whistleblower and all concerns raised would be treated as private and confidential in order to protect the whistleblower from victimisation or harassment arises from the reporting. However, the whistleblower may be required to come forward as a witness in accordance with any applicable laws and regulations.

Any individual reporting on any concern must make it in good faith with reasonable belief that it is true, without malicious or false allegation and not for personal gain. Any employee found to make false and malicious allegation shall be subjected to disciplinary actions by the Company and/or legal action by the Company.

4. Procedures

- (a) Any concern should be reported to the immediate superior. However, if it is not possible or appropriate to do so, the concern should then be reported to the Executive Directors.
- (b) Any concern that deemed not appropriate to be reported to the immediate superior or Executive Directors should be raised to the attention of the Independent Non-Executive Director.
- (c) Upon receipt of the concern, the Executive Directors or the Independent Non-Executive Director (depending on who is the recipient of the reporting) shall set up an investigating team ("**Investigators**") to conduct investigation on the issue/concern raised.
- (d) The progress of the investigation shall be reported to the Executive Directors or the Independent Non-Executive Directors.

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- (e) Upon completion of the investigation, the Investigators shall submit their full report together with recommendation to the Executive Directors or the Independent Non-Executive Directors, as the case may be.
- (f) Actions mandated shall be carried out accordingly.