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K. SENG SENG CORPORATION BERHAD

Whistleblowing Policy

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1. INTRODUCTION

Whistle blowing is an essential tool in the fight against corporate graft and malpractice, thereby enhancing the integrity, accountability and transparency within an organisation. This Policy Manual serves to provide an effective whistle blowing mechanism for staff members of K Seng Seng Berhad and its subsidiaries ("K Seng Seng") to voice concerns in a responsible and effective manner.

2. OBJECTIVES

- 2.1 This Policy Manual establishes the rules and safe and effective procedures for any director, officer or employee of the Group, including full-time, part-time and contract employees, to alert/disclose a bona fide complaint or report/raise a genuine concern (hereinafter called "concern") to the persons as set out in the Procedures as mentioned below upon discovery of possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity, and in an appropriate way.
- 2.2 This Policy Manual outlined the safeguards of individual who made the concern or reported the misconduct; (hereinafter called the "whistle-blower") in order that appropriate remedial actions can be taken.

3. SCOPE

- 3.1 This Policy is intended to address K Seng Seng Berhad ("the Company") and all subsidiary companies within the Group, hereinafter refer to as the Group.
- 3.2 This policy is designed to:
 - 3.2.1 Support the Group's values;
 - 3.2.2 Support the Group's commitment to develop and maintain a high standard of corporate governance and business integrity;
 - 3.2.3 Provide a transparent and confidential process for dealing with concern by:
 - Facilitating the whistle-blower to alert or report the impropriety without fear of reprisal, victimisation, harassment, subsequent discrimination or disadvantage;
 - Encouraging the whistle-blower to raise genuine concern within the Group at the earliest opportunity, and in an appropriate way rather than overlooking the impropriety or reporting it outside the organization of the Group; and
 - Providing the avenues for the whistle-blower to raise the concern and receive feedback on any action taken, including escalation if the concern are not satisfactorily addressed.
- 3.3 This Policy shall also similarly apply to any vendors, partners, associates or any individual in the performance of their assignment or conducting the business for or on behalf of the Group.

4. POLICIES

4.1 Principles and Safeguards

- 4.1.1 This Policy is designed to offer protection to those who made a concern, provided the concern is made in good faith and all concern raised will be treated fairly and properly.
- 4.1.2 Where an individual makes a concern in good faith and is reasonably believes it to be true, but the concern is not confirmed by subsequent investigation, no action will be taken against the individual. Such disclosure will retain anonymity unless the individual agrees otherwise.
- 4.1.3 The Group will not tolerate harassment or victimization of anyone who makes a concern. Retaliation is by itself misconduct and anyone engaging in retaliatory conduct will be subject to disciplinary action; which may be pursued under the appropriate mechanisms:-
 - 4.1.3.1 Through disciplinary action initiated via the Human Resources Department, according to the actions as defined in the Employee Handbook or any policies defining the conduct of employees.
 - 4.1.3.2 Through actions as defined by the Office of the Group Managing Director, the Audit Committee or the Board of Directors.
 - 4.1.3.3 Through the appropriate law and regulation.
- 4.1.4 Untrue Concern
The Group, however, does not extend this assurance to an individual who maliciously raises a matter he/she knows is untrue. If an individual makes malicious concern, disciplinary action may be taken against the individual.

4.2 Impropriety

- 4.2.1 This policy is not designed to question financial or business decisions taken by the management of the Group, nor should it be used to reconsider any other matters which have already been addressed under other procedures or approved by management.
- 4.2.2 There are existing procedures in place to enable an individual to lodge grievance relating to his/her own employment. As such, matters covered under employee's grievances do not form part of this Policy.
- 4.2.3 This policy not only covers possible improprieties in matters of financial reporting, but also:-
 - 4.2.3.1 Fraud;
 - 4.2.3.2 Corruption, bribery or blackmail;
 - 4.2.3.3 Criminal offences;
 - 4.2.3.4 Failure to comply with legal or regulatory obligation;
 - 4.2.3.5 Miscarriage of justice;
 - 4.2.3.6 Endangerment of an individual's or public's health and safety;
 - 4.2.3.7 Deliberately or accidentally steal, damage, or misuse the data that is stored within the Group's computer systems and throughout the organization;
 - 4.2.3.8 Unwelcome behaviour of sexual nature which involves a range of behaviour from mild annoyance to sexual assault, the sexual harassment;
 - 4.2.3.9 Conduct of unfair competition internally or externally, by using of an individual's position or opportunity arise/ available within the Group and that the gains/ advantages of the individual are conditional on the losses of others, where the gains/ advantages are made in ways which are illegitimate or unjust; and
 - 4.2.3.10 Concealment of any or a combination of the above.

4.3 Reporting Procedures

- 4.3.1 All directors, officers or employees of the Group are encouraged to raise genuine concern about impropriety at the earliest opportunity, and in an appropriate way. Conduct becomes reportable when it happens or when it is reasonably likely to occur.
- 4.3.2 As a first action, whistle-blower should raise concern using the following method:
 - 4.3.2.1 A report should be raised with the line manager who will then notify the Office of the Group Managing Director. The line manager must undertake to treat all concern in a confidential and sensitive manner, as set out in this policy.
 - 4.3.2.2 If for some reason the whistle-blower does not feel comfortable to report through his or her line manager, then he or she has the right to bypass the management structure and take his or her concern directly to the Office of the Group Managing Director.
 - 4.3.2.3 If for further reason the whistle-blower does not feel comfortable to report through his or her line manager or the Group Managing Director, then he or she has the right to take his or her concern, directly or via the external Company Secretary, to the Chairman of the Audit Committee.
- 4.3.3 Concern must be raised in writing or via e-mail:
 - 4.3.3.1 Group Managing Director – Letter must be delivered to the Group Managing Director Office or email to be sent to his/her office email address, and meanwhile copy the letter to the Chairman of the Audit Committee via external Company Secretary Office or a dedicated whistle-blowing email address maintained by the external Company Secretary.
 - 4.3.3.2 The Chairman of the Audit Committee – Letter must be sent to the external Company Secretary Office and email to be sent to a dedicated email address maintained by the external Company Secretary.
- 4.3.4 The following information must be available in order for the Office of the Group Managing Director or the Chairman of the Audit Committee to proceed with the investigation:
 - 4.3.4.1 Background of the individual initiating concern.
 - 4.3.4.2 Date(s), details and reasons why the individual is concerned about the conduct.
- 4.3.5 The individual may independently engage professional advice or guidance on how to pursue the matter before coming forth. The individual may have colleagues, friends, or legal adviser present during any meetings or interview with the Office of the Group Managing Director.

4.4 Investigation and Follow-up Procedures

- 4.4.1 The Office of the Group Managing Director is committed to investigate and address all cases of reported misconduct. The Office of the Group Managing Director shall:
 - 4.4.1.1 Receive and filter complaints;
 - 4.4.1.2 Determine actions to be taken;
 - 4.4.1.3 Assign investigations;

- 4.4.1.4 Ensure closures and conclusions; and
- 4.4.1.5 Report to the relevant authorities.
- 4.4.2 The Office of the Group Managing Director will ensure that the individual raising a concern is notified of the person who is handling the matter.
- 4.4.3 In order to protect individuals and those accused of misconduct, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The concern raised may:
 - 4.4.3.1 Require immediate remedial action before the investigation is conducted or concluded;
 - 4.4.3.2 Be investigated internally by management, internal audit and independent inquiry or through a disciplinary process;
 - 4.4.3.3 Be referred to the Board of Directors for further action; and/or
 - 4.4.3.4 Be referred to law enforcement for criminal investigation
- 4.4.4 The Office of the Group Managing Director shall determine the channel for investigation and follow-up action.
- 4.4.5 The whistle-blower may seek follow-up information about an investigation of a report or any consequent action taken. Subject to legal limitation, the whistle-blower will be kept informed of the final outcome of the investigation.

4.5 Confidential Whistle-blowing

- 4.5.1 The Group adopts the approach of confidential whistle-blowing.
- 4.5.2 The Group will respect and protect the confidentiality of the whistle-blower; and hereby gives the assurance that it will not reveal the identity of the whistle-blower to any third party or other employees and public not involved in the investigation or prosecution of the matter unless he or she agrees otherwise. Where concern cannot be resolved without revealing the identity of the employee raising the concern (i.e., if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can be proceeded.
- 4.5.3 The only exception to this assurance relates to an overriding legal obligation to breach confidentiality. The Group is obligated to reveal confidential information relating to a whistle-blowing report if ordered to do so by a court of law.
- 4.5.4 The Group assurance of confidentiality can only be completely effective if the whistle-blower likewise maintains confidentiality.

5. ADMINISTRATION

The Office of the Group Managing Director is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as needed.