



LEONG HUP INTERNATIONAL BERHAD

(201401022577) (1098663-D)

Whistleblowing Policy

26 NOVEMBER 2019

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Whistleblowing Policy

1. Purpose

It is always the desire and aim of the Leong Hup International Berhad (“LHI” or the “Company”) and its subsidiary companies (“the Group”) to develop, promote and maintain high standards of corporate governance within the Group. Whistleblowing is therefore a key essential element of an ethical organisation and in relation to the employee as well as external parties. The Group does not tolerate any corporate impropriety, malpractice or wrongdoing by staff in the course of their work.

Employees might often be the first to realise that there may be irregularities within a Company. However, there is often a ‘don’t tell’ or ‘mind your own business’ mentality deeply rooted that may indirectly cause whistleblowers to be shunned and viewed as outcasts. In such circumstances, employees or external parties may feel that it is better to ignore or remain silent and even shunned rather than to bring to the attention of the management. Similarly, external parties may perceive that responding in the same manner due to the uneasiness of being tattle-tales may damage prevailing relationship and/or attract hostility or retribution.

Thus, this Whistleblowing Policy (“Policy”) is to establish a framework and channel for whistleblowers from receiving any unfair treatment as a result of their report and allows independent investigations of such matters and appropriate follow up actions.

2. Scope

This policy applies to:

- a) all the employees in the Group; and
- b) all external parties which includes customers, supplier, vendors, contractors and other stakeholders who may have business relation with the Group,

who have become aware of or genuinely suspects on a reasonable belief that an employee of the Company has engaged, is engaged or is preparing to engage in any improper conduct.

3. Definitions

- a) Whistleblowing: activity involving an employee/stakeholder disclosing act(s) that is/are illegal, immoral, or illegitimate organisational activities in confidence to the parties that they believe have the authority to stop it.
- b) Whistleblower: is a person who expose wrongdoing of any kind of information or activity that is deemed unethical, or immoral to the higher authority within the Company.

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4. Policy

- a) The Group encourages employees and the external parties to put their name to their allegation whenever possible. Any concern or irregularities raised anonymously will not be entertained as identity is required to disclose. However, they will be considered, taking into account the seriousness and credibility of the issues raised, and the likelihood of confirming the allegation from attributable sources and information provided.
- b) All concern or irregularity raised will be treated in strict confidence.

5. Protection of whistleblower

The Group will not tolerate any harassment and victimization of the whistleblower, and appropriate disciplinary action will be taken.

The Group also assures that the whistleblower will be protected even if the report is proven to be unfounded, provided that it has been made in good faith.

However, the Group does not condone frivolous, mischievous or malicious allegations. Employees making such allegations will face disciplinary action in accordance with the Group's Disciplinary Procedures. The Group will not tolerate abuse of this Policy for personal gains on the part of any employee.

6. Procedures

The whistleblowing case or concern should be reported via the following channel and person with all the information in detail and be as specific as possible in respect of the parties involved, incident date and time, types of concern, evidence substantiating the complaint, where possible, and contact details, in case further information is required.

- Chairman of Audit and Risk Committee
- Audit and Risk Committee

Email: arc@lhbb.com

Mailing address: The Audit and Risk Committee, 3rd Floor, Wisma Westcourt, No. 126,
Jalan Klang Lama 58000 Kuala Lumpur, Wilayah Persekutuan,
Malaysia.

Any concern or irregularities raised via the abovementioned whistleblowing channels will be forwarded to the Audit and Risk Committee who act for the case matter as well as how they can make contact with them.

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7. Action Subsequent to Report

The whistleblower will be kept informed and updated on the progress and status of the investigation and where appropriate, the final outcome, subject to any legal or confidentiality constraints.

8. List of Complaints under Whistleblowing Policy

The list of complaints/concerns includes, but is not limited to the following:

- Forgery
- Misappropriation of funds and classified documents
- Abuse of power and authority by an officer of the Group
- Failure to comply with laws and regulations
- Discrimination on the basis of gender, race, disabilities
- Harassment
- Corruption and bribery
- Theft
- Involvement in any act of conflict of interest with suppliers, vendors or contractors
- Concealment of any of the above
- Any other detrimental wrongdoing which nature of the wrongdoing is jeopardising the reputation and financial health of the Group

9. Modification

The Group may modify this Policy to maintain compliance with applicable laws and regulations or accommodate organisational changes within the Group.