



NI HSIN GROUP BERHAD
(Registration No. 200401014850(653353-W))
(Incorporated in Malaysia)

WHISTLE BLOWING POLICIES AND PROCEDURES

Revision No.	New/Amendment Date	Revision records
001	Dec 2012	Original
002	Nov 2013	1) Review for change on Para 3.5 (e). 2) Appointment of guardian/custodian of WB policy in para 3.11.
003	Nov 2014	1) Change on Whistle Blower in para 3.10 and Appendix I.
004	Nov 2015	1) Change on Whistle Blower in para 3.10 and Appendix I.
005	Mar 2019	Annual review
006	Apr 2023	1) Change of company name 2) Change of email address

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1. DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations shall apply throughout this Policy:

“Board” means Board of Directors of Ni Hsin Group Berhad Group of companies.

“Chairman” means Chairman of the Board.

“Company” or “NHG” means Ni Hsin Group Berhad.

“Group” means NHG and its subsidiaries collectively.

“INED” means Independent Non-Executive Director of NHG, being the director identified by the Board as one to whom concerns may be conveyed.

“Whistle Blower” means an employee of the Group who makes a disclosure in good faith of improper conduct or alleged wrongdoings occurring in the Group.

“Whistle Blowing” means the disclosure in good faith by an employee of the Group, to the management or directors, of actual, suspected or anticipated mismanagement, corruption, illegality, or some other wrongdoings within the Group.

2. INTRODUCTION AND PURPOSE

- 2.1 All employees of the Group are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct within the Group at the earliest opportunity and in an appropriate way.

This Policy aims to:

- (a) encourage Whistle Blower to feel confident in raising serious genuine concerns and to question and act on those concerns;
 - (b) provide ways to raise those concerns and get feedback on action taken; and
 - (c) re-assure Whistle Blower that if they raise concerns in good faith, believing them to be true, they will be protected from possible reprisals or victimization.
- 2.2 The scope of matters covered by this Policy not only relates to concerns and complaints regarding financial matters but also the following (not exhaustive):
- (a) financial malpractice, impropriety or fraud;
 - (b) corruption, bribery or blackmail;
 - (c) failure to comply with laws or regulations or group/company policies and procedures;
 - (d) criminal offences and miscarriage of justice;
 - (e) endangerment of an individual's health and safety;
 - (f) falsification or destruction of business or financial records, or misrepresentation or suppression of financial information; or
 - (g) concealment of any or a combination of the above.
- 2.3 The principles underpinning this Policy are as follows:
- (a) all concerns raised will be treated fairly and properly.
 - (b) the Group will not tolerate harassment or victimisation of anyone raising a genuine concern.
 - (c) the Group will ensure no Whistle Blower will be at risk of suffering some form of reprisal as a result of raising a concern even if he is mistaken. The Group, however, does not extend this assurance to someone who maliciously raises a matter he knows is untrue or is acting for personal gain.
 - (d) The submission of a false or frivolous report may have consequences for Whistle Blower and he may be liable for damages towards anyone who suffered from such false report.

3. WHISTLE BLOWING POLICIES AND PROCEDURES

- 3.1 If any employee believes reasonably and in good faith that suspected incident of improper conduct or malpractice exists within the Group, the employee should report this immediately to his immediate superior or management in writing, providing as much detail as possible and specifying:
- (a) the Whistle Blower's full name and contact details;
 - (b) the background, date and history of the concerns;
 - (c) the reasons for the concerns;
 - (d) details of witnesses and all factual corroborating evidence as is available;
 - (e) whether the Whistle Blower has any personal interest in the matter; and
 - (f) whether action has already been taken by anyone.

If the superior initially alerted is not competent to deal with the complaint, he should escalate, in strictest confidence, the relevant information and documents to higher management and inform the Whistle Blower accordingly.

- 3.2 The management who receives the complaint shall maintain all complaints received, tracking their receipt, investigation and resolution. Each report shall be screened to assess its reliability and whether there is sufficient information to warrant an investigation.
- 3.3 The management may decide not to investigate a complaint if in his opinion the complaint:
- (a) is trivial; or
 - (b) is frivolous or vexatious; or
 - (c) if the Whistle Blower has had knowledge for more than 12 months of the disclosed matter and failed to give a satisfactory explanation for the delay in making the disclosure.
- 3.4 Should the management determine that a Whistle Blower's report warrants an investigation, he or such other officer as may be identified will conduct an investigation with complete independence and confidentiality, in the shortest possible time given the resources available.
- 3.5 A Whistle Blower:
- (a) must provide all factual corroborating evidence, as is available/possible, to facilitate the investigation;
 - (b) has a responsibility to be candid with the management conducting the investigation;
 - (c) should be prepared to be interviewed by the management or the Investigating Officer (as defined below);
 - (d) may not act on his own in conducting any investigation; and
 - (e) will be immune to disciplinary action if he is found guilty of or is a party to the allegations.
- 3.6 The following principles shall be applied to all investigations:
- (a) Confidentiality of information and communications must be maintained.
 - (b) Issues must be addressed promptly.
 - (c) The investigation must locate and assess all evidence that either substantiates or refutes the complaint.
 - (d) Decisions should be made only on the basis of relevant evidence that is available.
 - (e) All actions and the conduct of the investigation must be unbiased and must not draw conclusions until all the evidence has been collated and reviewed.
 - (f) Individuals who are suspected of having been involved with improper conduct should be informed of the issue as soon as practicable and be given the opportunity to provide explanations, details and responses to any allegations.

- 3.7 The Whistle Blower will be informed of who is handling the matter, how he can make contact with the investigator and whether there is any further assistance required. The Whistle Blower will receive update on the progress of the investigation and its outcome, unless this would be detrimental to the Whistle Blower or the investigation, or unless there are other reasons not to inform the Whistle Blower (such as the infringement of a duty of confidentiality owed by the Group to another party).
- 3.8 The investigator will be responsible for safeguarding all information received from a Whistle Blower. The knowing unauthorised disclosure of Whistle Blower's information or the identity of a Whistle Blower by any employee may constitute misconduct for which, if established, disciplinary measures may be imposed.
- 3.9 The person who is being investigated by the Company shall:
- (a) be informed as to the substance of the allegations at the outset of an investigation;
 - (b) be given the opportunity to respond to the allegations or material points of evidence contained in the investigation report, unless there are compelling reasons to the contrary;
 - (c) be informed as to the substance of any adverse comment that may be included in any report arising from the investigation;
 - (d) have his defence set out fairly in any report; and
 - (e) be informed of the outcome of the investigation.
- 3.10 The Whistle Blower may make a report to the INED directly if:
- (a) the above channels have been followed and the Whistle Blower still has concerns;
 - (b) no action has been taken by the person initially alerted and all alternatives for internal consultation have been exhausted; or
 - (c) the use of the above reporting procedures is not appropriate in view of the circumstances or nature of the incidents (for instance, if there is a conflict of interest or a risk of reprisals, the intended recipient of the complaint is personally implicated in the incidents to be reported).

The INED may be contacted at chermaine@tharchitects.com.my.

- 3.11 The INED may delegate the responsibility for implementing the Whistle Blowing procedures to a guardian/custodian of the Whistle Blowing procedure within the Company. The guardian's role is to appoint fair and independent (internal or external) investigative officers of the Company to be identified (hereinafter referred to as "Investigating Officer").

The guardian/custodian of the Whistle Blowing procedure also includes coordination of the policy and administration.

The appointed guardian/custodian is Ms Ng Shwu Ching, the Executive Director of the Group.

The responsibilities of an Investigating Officer are:

- (a) investigating a complaint received from the Whistle Blower;
- (b) keeping secure all records, documents and reports collated during an investigation;
- (c) providing a progress report in relation to the complaint to the INED; and
- (d) providing feedback to the Whistle Blower following any investigation with the outcome of the investigation.

Where necessary, the INED may enlist external experts to conduct an investigation of the complaint at the expense of the Company.

- 3.12 It should be noted that cases relating to suspected criminal activity, including but not limited to fraud, may be referred to the police at any stage of the investigation and will then be investigated by an external investigator.

- 3.13 Following investigation of the complaint, the investigator or Investigating Officer (as the case may be) shall recommend disciplinary or remedial action, if any. The INED will make a decision based on the findings reported and recommendations.

In the event that a complaint made in good faith is subsequently found to be untrue, no action would be initiated against the Whistle Blower. However, action will be taken against Whistle Blower making baseless allegations.

- 3.14 The investigator or Investigation Officer (as the case may be) shall submit a written report to the INED, no later than 2 weeks before the end of each quarter, on the progress or result of all investigation and any actions taken in connection therewith. The report shall contain:
- (a) the allegations;
 - (b) an account of all documents, statements or other exhibits received, and where any evidence has been rejected as being unreliable, the reasons for this opinion being formed;
 - (c) the conclusions reached and the basis for them;
 - (d) any recommendations arising from the investigation; and
 - (e) steps that need to be taken by the Group to prevent a recurrence in the future.

If the complaint is deemed by the INED to be material or otherwise appropriate for the attention of the Board, it shall be so brought up at the following Board meeting.

- 3.15 All employees, directors and officers must fully co-operate with any investigation initiated under this Policy.
- 3.16 All employees, directors and officers must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a Whistle Blower making a complaint in good faith. Any effort to retaliate against such Whistle Blower will be reported immediately to the INED and appropriate disciplinary action taken.
- 3.17 Any attempt to cover up wrongdoing is a disciplinary offence. If the Whistle Blower is told not to raise or pursue a complaint, even by a person in authority, he should report the matter to the INED.
- 3.18 The Group acknowledges that the act of whistle blowing should not shield Whistle Blower from the reasonable consequences flowing from any involvement in improper conduct. The Whistle Blower's liability for his own conduct is not affected by his disclosure of that conduct. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.
- 3.19 Upon completion of an investigation, all documentation pertaining to the complaint including but not restricted to the investigation report, corrective action taken and evidence shall be maintained by the Human Resource Department.
- 3.20 A summary of the Whistle Blowing procedures is set out in Appendix I.

4. CONFIDENTIALITY

- 4.1 All complaints received will be kept confidential and will be shared only on a 'need to know' basis.
- 4.2 The identity of a Whistle Blower will not be disclosed without his prior consent. Where concerns cannot be resolved without revealing the identity of the Whistle Blower (i.e. if the evidence is required in court), a dialogue will be carried out with the Whistle Blower as to whether and how the matter can be proceeded.

APPENDIX I

SUMMARY OF WHISTLE BLOWING PROCEDURES

Making a disclosure

If you are aware or concerned about misconduct taking place within the Group, you should complete the prescribed form in Appendix II and confidentially forward it to your immediate superior or the management.

If you are unable to raise the matter with your superior or the management, you may make a report to the INED directly at chermaine@tharchitects.com.my.

Initial response to the disclosure

Your superior, the management or the Investigating Officer will determine the appropriate manner of investigation, having regard to all the circumstances, including the evidence available, and then inform the Whistle Blower of how the investigation will proceed.

The Whistle Blower shall extend his fullest cooperation in order to give full consideration to the complaint, to establish whether there is a case to answer or any further action is necessary.

Formal Investigation

Where the decision has been made to carry out an investigation, investigation will be carried out with complete independence and confidentiality, and shall be completed in the shortest possible time, given the resources available.

The INED will make a decision based on the findings reported and recommendations.

It should be noted that cases relating to suspected criminal activity, including but not limited to fraud, may be referred to the police at any stage of the investigation and will then be investigated by an external investigator.

Confirmation of the outcome

The Whistle Blower will be informed of the outcome of the investigation and any appropriate action that has been taken to resolve the complaint, subject to any confidentiality clause and/or legal constraints.

APPENDIX II

WHISTLE BLOWING REPORTING FORM

PART A To be completed by individual raising a concern			
1. Details of Whistle Blower			
Name:			
Contact no.:	(H)	(O)	(M)
Email:			
2.	Issue Raised:		
	Nature of the Concerns:		
	Background, Date and History of the Concerns:		
	Identity of the Person Engaged in Improper Conduct:		
	Reasons for the Concerns:		
	Details of Evidence and Witnesses:		
	Whether Action Has Already Been Taken and By Whom:		
	Whether Whistle Blower Has Any Personal Interest in the Matter Reported:		
	Submitted by: Name: Date : Time :	Received by: Name: Date : Time :	
PART B To be completed by Investigator / Investigating Officer			
3.	Additional information		
4.	Investigation of Concern /Steps Taken to Address the Concern		
5.	Findings		
6.	Recommendations		
7.	Preventive Measures to be Taken		
	Prepared by: Name: Date : Time :		