



**ANTI-MONEY LAUNDERING
POLICY & SOP**

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**ANTI-MONEY LAUNDERING POLICY
AND SOP**

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CAPE EMS BERHAD
199901026859 (501759-M)

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This Anti-money Laundering Policy and SOP Procedure have been accepted and authorised by the Board of Directors (Governing Body) on 28th February 2023.

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|---|---------------------------------------|
| Prepared by Chief ESG Officer <i>Dr K M Loi</i> Date: 1st Feb. 2023 2022 | Status of Document Control |
| Reviewed by Executive Director <i>Ms Josephine Lim</i> Date: 15th Feb 2023 | |
| Approved by MD / Group CEO <i>Ms Christina Tee</i> Date: 28th Feb 2023 | |
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1.0 PURPOSE

- 1.1 The purpose of this Anti-money Laundering (AML) Policy and SOP Procedure is to establish a systematic guideline for all CAPE EMS BERHAD (CAPE EMS - Company) and its subsidiaries (CAPE GROUP - Group) employees, personnel, suppliers, business associates and third party intermediaries who provide, or shall provide products and services and acting on behalf of the Group are aware on how to strengthen anti-money laundering governance and reiterates the Group's commitment to full compliance to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities (AMLATFA) Act, 2001 (Act 613).
- 1.2 CAPE Group is committed to promote and maintain the highest levels of Governance, Integrity, Accountability and Transparency (GIAT) in the conduct of our business activities, dealings, relationships, and operations and to establish an ethical corporate environment.
- 1.3 We are committed to mitigate the risk of money laundering and terrorism financing in our business operations and that all CAPE Group's personnel are aware of their obligations and the need to remain vigilant in the prevention against money laundering and terrorist activities.
- 1.4 This AML Policy and SOP provides a framework to comply with applicable laws and Regulatory guidelines in reporting of any suspicious transactions or activities within CAPE Group.

2.0 SCOPE

- 2.1 This scope of this Anti-money Laundering (AML) Policy and SOP applies to all personnel (as defined in Section 3.7 of this AML Policy and SOP) of CAPE Group, business associates and third party intermediaries who provide, or shall provide products and services or acting on behalf of CAPE Group and extends to all internal and external multi-stakeholders to embrace the spirit of our commitment to build a culture of GIAT and our same high ethical standards.
- 2.2 This AML Policy establishes the general framework to manage and prevent the risks of the CAPE Group's businesses from being used as a conduit for money laundering and terrorism financing activities. All Group personnel are required to adhere to the requirements of this AML Policy when carrying out their daily responsibilities.
- 2.3 This AML Policy applies to all business units or entities in CAPE Group especially those which fall under the definition of "Reporting Institutions" as described in the First Schedule of the AMLATFA Act, 2002 (Act 613).

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2.4 This AMLA Policy is not intended to be all-encompassing nor exhaustive, and there can be other obligations or expectations of Directors, Key Senior Management and Personnel when performing their duties. Although this AMLA Policy is not meant to address every issue, it defines the spirit in which CAPE Group intends to do business and guide all personnel in their daily conduct.

3.0 TERMS AND DEFINITIONS

3.1 “Applicable statutory laws and regulatory requirements” : – means principal anti-corruption laws that CAPE Group personnel are expected to understand and comply with in respective jurisdictions, but not limited to :-

- (i) Companies Act 2016 (Act 777);
- (ii) Malaysian Anti-Corruption Commission (MACC) Act 2009 (Act 694);
- (iii) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613);
- (iii) Malaysian Penal Code (Act 574);
- (iv) Election Offences Act 1954 (Act 5);
- (v) Criminal Procedure Code 2012 (Act 593);
- (vi) Police Act 1967 (Act 344);
- (vii) Customs Act 1967 (Act 235)
- (v) Singapore’s Prevention of Corruption Act 1960; and
- (vi) other applicable statutory laws and regulatory requirements related to corporate liability in term of anti-bribery and anti-corruption in the countries or jurisdictions where CAPE Group operates.

These laws prohibit bribery and acts of corruption and mandate that CAPE Group shall establish and maintain accurate books and records and sufficient internal controls.

3.2 “ABC Policy” :- means CAPE Group’s Anti-Bribery and Corruption Policy and SOP.

3.2 “AMLATFA” :- means Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

3.3 “AML/CFT” :- means Anti-Money Laundering/Combating the Financing of Terrorism.

3.4 “AMLA Policy” :- means the Anti-Money Laundering Policy.

3.5 “Board” :- means the Board of Directors of CAPE EMS BERHAD, also known as the Governing Body.

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- 3.6 “Business Associate” :-
means any persons who provide products or performing services for or on behalf of the CAPE Group, apart from the Group’s employees, including contractors or subcontractors, distributors, business contacts, agents, advisers, joint venture partners, intermediaries, sales representatives, consultants, sponsors, service providers and business partners.
- 3.6 “Director” or “Directors” :-
means the director(s) of the Company and its subsidiaries and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets And Services Act 2007.
- 3.7 “Personnel” : –
means any person at all levels and grades, including, directors, senior managers, key senior management, managers, executives, officers, non-executives, employees (whether permanent, full-time, part-time, contract, or temporary, employed by CAPE Group, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, trainees, interns, protégé pupil, sponsors, or any other person associated with the Group.
- 3.8 “Third-Party Intermediaries” : –
means any external individual or organisation that CAPE EMS has, or plans to establish, some form of business relationship. This can include actual and potential clients, customers, contractors, suppliers, distributors, business contacts, agents, advisers, joint ventures, joint venture partners, intermediaries, sales representatives or consultants and government and agencies and public bodies – this includes (but is not limited to) their advisors, representatives, public officials, politically exposed persons (PEPs), and political parties.
- 3.9 “Sanctions Authorities” :-
refers to, but not limited to (a) Malaysia – Bank Negara; (b) the United Nation; (c) the European Union; (d) the United States of America; (e) the United Kingdom; (f) Singapore; (g) the respective governmental institutions and agencies of any other state, national or supranational authority or agency, as may be amended from time to time.

4.0 APPLICABLE FORMS

- 4.1 Appendix icAPE-GP-06F: Suspicious Transaction Report form.

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5.0 RESPONSIBILITIES AND AUTHORITIES

- 5.1 The Board of Directors (Governing Body) and Key Senior Management (Vice Presidents) are responsible for establishing, implementing, and maintaining this Anti-Money Laundering (AML) Policy on how to strengthen anti-money laundering governance and it reiterates the Group's commitment to full compliance to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities (AMLATFA) Act, 2001 (Act 613).
- 5.2 This Anti-Money Laundering (AML) Policy is reviewed and approved by the Board of Directors of the Company ("Board"), the Audit Committee and the Risk Management Committee of the Company and oversight of this Policy has been delegated to the Audit Committee, which monitors the effectiveness of and compliance with this Policy.
- 5.3 The Board and the business unit management team set the tone at the top providing leadership and support for the Policy and taking responsibility for its effectiveness within their business units.
- 5.4 The Risk Management Committee shall base on this AML Policy and the Group's Risk Management Framework in implementing a comprehensive risk-based approach in managing money laundering and terrorist financing risks. The management of the Group is responsible for the implementation of this AML Policy and all communication and training activities in relation to this Policy to ensure that those reporting to them are made aware of and understand this AML Policy.
- 5.5 This AML Policy is in accordance with all applicable statutory laws and regulatory requirements and it is the responsibility of the management of each department to ensure that all CAPE Group personnel, business associates and third party intermediaries are aware of this Policy so as to maintain the highest levels of Governance, Integrity, Accountability and Transparency (GIAT) in the conduct of our business activities, dealings, relationships and operations and guide all personnel in their daily conduct.
- 5.6 CAPE Group is committed to combat money laundering and terrorism financing through various means such as (a) compliance with laws; (b) cooperation with law enforcement agencies; (c) establishing internal controls; (d) adopting a risk-based approach; and (e) conducting due diligence.
- 5.7 The Chief ESG Officer shall be responsible for incorporating any amendments and updates into this Code, obtaining approval from the MD/CEO or the Board of Directors (Governing Body) for the amendments and updates, as well as distributing the same to the relevant parties.

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6.0 PROCEDURE

6.1 Anti-Money Laundering (AML) Policy Statement

CAPE EMS BERHAD is committed to promote and maintain our Core values of Governance, Integrity, Accountability and Transparency (GIAT) in all our business activities, dealings, relationships, and operations as a recognized and reputable EMS contract manufacturer through proper implementation of ISO 37001:2016 Anti-bribery Management System (ABMS); Ministerial Guidelines on Adequate Procedures (GAPs) and establishing a Code to prevent, detect, and respond to potential bribery risks.

To achieve this goal, **CAPE EMS BERHAD** shall :

Commit to comply with AMLATFA Act, 2001 and other local laws and regulations in relation to money laundering and terrorism financing requirements;

Assure our core values towards building a culture of governance, integrity, accountability and transparency with responsible business conduct and ethical personal conduct;

Prioritize a risk-based approach to identify, assess, monitor, manage and mitigate money laundering and terrorism financing risks and conducting due diligence;

Ensure appropriate measures such as internal controls and timely disclosure of suspicious transactions to the relevant law enforcement agencies.

We strongly object and prohibit to all practices and involvement in money laundering, including dealing in the proceeds of criminal activities and terrorism financing to comply with AMLATFA imposed by the Government of Malaysia, Bank Negara Malaysia, other agencies including related policies and legal requirements.

Any suspected activities relating to money laundering or terrorism financing shall be reported immediately to Bank Negara Malaysia and relevant authorities without any delay.



Ms Christina Tee
MD / Group CEO
On behalf of Board of Directors – Governing Body
Date : 28th February 2023

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6.2 Implementation Guidelines

- 6.2.1 What is money laundering? Money laundering is a criminal practice of converting or filtering “dirty money” or “ill-gotten gains” through a maze of transactions, so that the funds are “cleansed” or “laundered” to hide its true identity or origin, and to give it a legitimate appearance.
- 6.2.2 Money laundering involves proceeds of unlawful activities that are related directly or indirectly, to any serious offence, that is processed through transactions, concealments, or other similar means, so that they appear to have originated from a legitimate source.
- 6.2.3 The process of money laundering comprises three stages, during which there can be numerous transactions. These three (3) stages are namely (a) Placement: The physical disposal of proceeds or benefits of unlawful activities by introducing illegal funds (generally in the form of cash) into the financial system; (b) Layering: The separation of the illicit proceeds or benefits of unlawful activities from their source by creating layers of financial transactions designed to disguise the audit trail; and (c) Integration: Placement of laundered funds back into the economy so that they re-enter the financial system appearing to be legitimate funds.
- 6.2.4 Terrorism financing is an act of providing financial support, funded from either legitimate or illegitimate sources, to terrorists or terrorist organisations benefiting them or enabling them to carry out terrorist acts.
- 6.2.5 Money laundering and terrorism financing activities are serious crimes and the laws governing this type of predicated crime such as fraud, corruption, terrorism, drug, human trafficking, tax evasion, embezzlement, money forgery, piracy and etc can have extra territorial effect.
- 6.2.6 The penalties for breaching AMLATFA Act, 2001 are severe and can include extradition and imprisonment in various jurisdiction. Involvement in such activities damages our reputation and integrity.
- 6.2.7 Therefore, to strengthen AMLA Policy and governance, it is our responsibility to:
- (a) Attend adequate training and compliance programs to ensure understanding and strict compliance to any internal AMLA policies, applicable requirements under the local laws and regulations;
 - (b) Be properly acquainted with the applicable laws and regulations relating to money laundering and terrorism financing activities especially for Group personnel who is frequently involved in decision making process particularly in matters relating to financial transactions;

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- (c) Be attentive and remain vigilant on unusual or suspicious transactions or other activities, and to report these transactions or activities through proper reporting channels;
- (d) Be aware and report any complex payment arrangements or business transactions such as payment in cash, payment to third parties; (e.g. business or individual), payments made by third parties not mentioned in the contract / agreement, payments to accounts in other countries, and requests for upfront payment for expenses or other fees; and
- (e) Comply with any due diligence requirements specified by CAPE Group to ensure that we know who we are doing business with.

6.3 Red Flag Indicators for Anti-money Laundering

6.3.1 Unusual transactions

Customers and suppliers trying to launder funds may carry out unusual transactions. CAPE Group should look out for activity that is inconsistent with their expected behaviour, such as large cash payments, unexplained payments from a third party, or use of multiple or foreign accounts.

6.3.2 Unusual source of funds

Transactions involving large amounts of cash or private funding could indicate money laundering, and if cash deposits or complex crypto assets are involved, identifying the source can be difficult.

6.3.3 Transaction has unusual features

The size, nature or frequency of transactions, or repetitive instructions involving common features, are all AMLA red flags.

6.3.4 Geographic concerns

There are twenty (20) tax havens or offshore financial centres where a country or jurisdiction that offers minimal tax liability to foreign individuals or companies such as British Virgin Islands, Jersey, Bermuda, The Cayman Islands, Samoa, Liechtenstein, Curacao, Marshall Islands, Malta, Mauritius, Luxembourg, Nauru, Cyprus, Seychelles, The Netherlands, The Bahamas, Monaco, Switzerland, The Isle of Man, Panama and Singapore. Unexplained connections with – and movement of money between – jurisdictions should also raise suspicions.

6.3.5 Politically exposed persons (PEPs)

Individuals – and their family and associates – in high positions are more vulnerable to corruption and could pose a higher risk of money laundering for quid-pro-quo favours or kickbacks.

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While no standardized global definition exists, PEPs typically include heads of state, senior politicians, or government officials, judicial or military officials, senior executives of state-owned corporations, or important political party officials.

- 6.3.6 Secretive new clients who avoid personal contact
CAPE Group have customer due diligence (CDD) procedures in place when onboarding new clients. If a customer refuses to answer questions about themselves, CAPE Group should consider whether this is suspicious, especially if they have criminal associations, or know an unusual amount about the money laundering process.
- 6.3.7 Ultimate beneficial ownership is unclear
Ultimate beneficial owners are the people who ultimately own or manage a company. Complex ownership structures, or the use of shell companies, could be an attempt to disguise criminal activities and carry out financial crime.
- 6.3.8 Jurisdiction risk
Some countries or jurisdictions have high levels of corruption, unstable governments, or are known as money laundering havens. They could also have inadequate AML/CFT regulatory and judicial frameworks or be subject to economic sanctions. Transactions that involve these countries should be carefully monitored as AMLA red flags.
- 6.3.9 Sanctions exposure
It is important that CAPE Group review relevant international sanctions lists such as The World Bank, <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>, to ensure that customers and suppliers are not sanctioned themselves, or involved, or transacting with, a sanctioned entity.
- 6.3.10. Adverse media
Additional checks can also be needed if the customer is a subject of negative news media in any part of the world, as this could increase AMLA risk.

6.4 Money Laundering Offence

- 6.4.1 Pursuant to Section 4 of the AMLATFA, a money laundering offence is committed when a person:
- (a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
 - (b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;

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- (c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or
- (d) conceals, disguises, or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence.

6.4.2 It can also be inferred from any objective factual circumstances that :-

- (a) the person knows, has reason to believe or has reasonable suspicion that the property is the proceeds of an unlawful activity or instrumentalities of an offence; or
- (b) the person without reasonable excuse fails to take reasonable steps to ascertain whether the property is the proceeds of an unlawful activity or instrumentalities of an offence.

6.4.3 For the purposes of any proceedings under the AMLATFA, where the proceeds of an unlawful activity are derived from one or more unlawful activities, such proceeds need not be proven to be from any specific unlawful activity.

6.4.4 A person can be convicted of an offence under the Section 4 of the AMLATFA irrespective of whether there is a conviction in respect of a serious offence or foreign serious offence or that a prosecution has been initiated for the commission of a serious offence or foreign serious offence.

6.5 General Description of Terrorism Financing

6.5.1 Financing of terrorism generally refers to carrying out transactions involving funds or property, whether from a legitimate or illegitimate source, that may or may not be owned by terrorists, or those have been, or are intended to be used to assist the commission of terrorist acts, and/or the financing of terrorists and terrorist organisations.

6.5.2 Section 3(1) of the AMLATFA defines a “terrorism financing offence” as any offence under section 130N, 130O, 130P or 130Q of the Penal Code, which are essentially:

- (a) Providing or collecting property for terrorist acts;
- (b) Providing services for terrorism purposes;
- (c) Arranging for retention or control of terrorist property; or
- (d) Dealing with terrorist property.

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6.6 Penalty for Money Laundering Offence

6.6.1 Pursuant to Section 4 of the AMLATFA, any person who commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen years and shall also be liable to a fine of not less than five times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five million ringgits, whichever is the higher.

6.7 Dubious and Suspicious Transaction Reporting

6.7.1 CAPE Group is required to contact or submit a suspicious transaction or dubious cases to Bank Negara Malaysia whenever the Group suspects or has reasonable grounds to suspect that the transaction (including attempted or proposed), regardless of the amount:-

- (a) appears unusual;
- (b) has no clear economic purpose;
- (c) appears illegal;
- (d) involves proceeds from an unlawful activity or instrumentalities of an offence; or
- (e) indicates that the customer is involved in AMLATFA.

6.7.2 Examples of the “Red Flags” that signal possible money laundering or terrorist financing includes, but is not limited to the following:

- (a) Reluctance to provide detailed information of the source of income;
- (b) Large cash transactions with no history of prior business experience;
- (c) Shielding the identity of the beneficial owners;
- (d) The transaction appears illegal or is not economically justified considering the customer’s business or profession;
- (e) Repayment of loan instalments with multiple cash transactions;
- (f) Early settlement of loan by multiple transferring of funds from third party or foreign bank accounts;
- (g) Multiple cash repayments that were structured below the reporting requirements to avoid detection;
- (h) The nature or unusual circumstances surrounding the said transaction, for instance, the described nature of transaction does not match with the nature of the ongoing project;
- (i) The business background of the person conducting the said transaction, for instance, the business associates background does not match the supplied goods or services to CAPE Group;
- (j) The production of seemingly false identification in connection with any transaction, for instance, the use of aliases and a variety of similar but different addresses;
- (k) The behaviour of the person or persons conducting the said transactions;

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- (l) Payments made by third persons not mentioned or related to the contract or agreement;
- (m) Extraordinary payments requested that are not provided for in the contracts or agreements and
- (n) The person or group of persons with whom CAPE Group is dealing, for instance, dealing with persons who are involved in illegitimate business.

6.7.3 In consideration of the above factors, should one have reasonable grounds to suspect that the transaction or the payment received and utilised involves proceeds of an unlawful activity or is related to money laundering and terrorism financing, the Group personnel shall not inquire on his or her own with the relevant party or individual.

6.7.4 CAPE Group shall provide the required and relevant information that gave rise to doubt in the suspicious transaction report form, which includes but is not limited to the nature or circumstances surrounding the transaction and business background of the person conducting the transaction that is connected to the unlawful activity.

6.7.5 CAPE Group is required to ensure that the subsidiary financial officer is responsible for channelling all internal suspicious transaction reports received from the Group personnel of the respective subsidiary to the Group Chief Financial Officer (GCFO).

6.7.6 CAPE Group personnel shall report this suspicious transaction and activity immediately to your immediate superior, Head of Department or Legal Department by using the "Suspicious Transaction Report" form (Appendix icAPE-GP-06F) and shall be channelled directly to the Group Chief Financial Officer (GCFO).

6.7.7 The Group Chief Financial Officer (or such other nominated alternate) shall be the Compliance Officer of CAPE Group and is the point of reference for Bank Negara Malaysia.

6.7.8 Upon which internally generated suspicious transaction reports, the Group Chief Financial Officer shall be within five (5) working days reviewed the suspicious transaction reports, including the circumstances when the timeframe can be exceeded, where necessary.

6.7.9 Upon receiving any internal suspicious transaction report whether from the CAPE Group, the Group Chief Financial Officer shall evaluate the grounds for suspicion. Once the suspicion is confirmed, the Group Chief Financial Officer shall promptly submit the suspicious transaction report. In the case where the Group Chief Financial Officer decides that there are no reasonable grounds for suspicion, the Group Chief Financial Officer shall document and file the decision, supported by the relevant documents.

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6.7.10 The Group Chief Financial Officer of CAPE Group shall submit a suspicious transaction report to Bank Negara Malaysia using the specified reporting template as prescribed by Bank Negara Malaysia from time to time, through any of the following channels within the next working day from the date the Group Chief Financial Officer establishes the suspicion:

| No: | Mode | To Whom |
|-----|-----------|------------------------|
| 1. | Contact | BNMLINK or BNMTELELINK |
| 2. | Telephone | 1-300-88-5465 |
| 3. | Fax | (03) 2174 1515 |
| 4. | Email | bnmtelelink@bnm.gov.my |

6.7.11 CAPE Group shall ensure that in the course of submitting the suspicious transaction report, utmost care shall be undertaken to ensure that such reports are treated with the highest level of confidentiality. The Group Chief Financial Officer has the sole discretion and independence to report suspicious transactions.

6.7.12 In the case where the Group Chief Financial Officer decides that there are no reasonable grounds for suspicion, he or she should document his or her decision, ensure that it is supported by the relevant necessary documents and file the report.

6.8 Precaution Measures

6.8.1 This AMLA Policy is applicable to CAPE Group's day-to-day operations and its undertaking on various mandated humanitarian activities pursued by the Group. As part of the governance and compliance, the management of the Group shall undertake the responsibility to oversee the implementation of any related programs and procedures regarding this AMLA Policy.

6.8.2 The business units of the Group shall oversee day-to-day operations of the Group, including but not limited to record keeping, conduct transactions and other such procedures to ensure full compliance with the obligations stipulated under Part IV of the AMLATFA, which include the requirements to:

- (a) Implement AML/CFT risk management that commensurate with the level of money laundering and terrorism financing risks;
- (b) Conduct customer due diligence;
- (c) Keep proper record on the customer and transactions;
- (d) Implement AML/CFT compliance programme;
- (e) Report Suspicious Transaction Report ("STR"); and
- (f) Report Cash Threshold Report ("CTR") for cash transaction exceeding the amount specified, where applicable.

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6.9 Customer Due Diligence

6.9.1 In carrying out the business operation, CAPE Group is exposed to contractual relationships, and possibility of occurrence of transactions relating to corporate social responsibilities, sponsorship and donations with its Business Partners, Business Associates and Third-Party Intermediaries.

6.9.2 As a general principle, all business units of CAPE Group are required to perform customer due diligence (“CDD”) procedures when:

- (a) at the start of a new business relationship;
- (b) it has any suspicion of money laundering or terrorism financing activities regardless of the amount transacted; and
- (c) it has any doubt about the adequacy or authenticity of previously obtained information.

6.9.3 Each business unit management of CAPE Group is responsible to implement the appropriate CDD procedures relevant to the nature of their business transactions. Business unit management shall adopt a risk-based approach when deciding the degree of CDD to apply. Risks are to be assessed by the relevant business unit at the outset of a business relationship and updated regularly.

6.9.4 The CDD procedures shall minimally include:

- (a) identifying the customer (including foreign body corporate) and verify such customer’s identity using reliable, independent source of documents, data or information;
- (b) verifying that any person purporting to act on behalf of the customer is authorised, and identifying and verifying the identity of that person;
- (c) identifying and take reasonable measures to verify the identity of the beneficial owner(s), using relevant information or data obtained from reliable sources;
- (d) understand and, where relevant, obtain information on the purpose of opening an account and the intended nature of the business relationship; and
- (e) performing appropriate background checks, where practical and relevant, on the names of individuals or entities of customers to ensure that transactions are not entered with those listed on the sanction lists maintained by Ministry of Home Affairs (“MOHA”) and United Nations Security Council.

6.10 Training and Communications

6.10.1 Further information on AML/CFT can be obtained from Bank Negara Malaysia’s website <http://amlcft.bnm.gov.my/index.html>.

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6.10.2 In addition, CAPE Group shall continue to provide adequate training and exposure to all the personnel of the Group on anti-money laundering programs and updates. This shall include but not limited to how to identify red flags and signs of money laundering, the record retention policy and disciplinary consequences (including civil and criminal penalties) for non-compliance with this AMLA Policy and AMLATFA.

6.10.3 AMLATFA legislations shall be communicated and made aware to CAPE Group personnel. AMLA specified training shall be provided to the relevant personnel, where appropriate, to create awareness and provide guidance on how to proceed if they encounter such situations.

6.11 Record Keeping and Retention of Records

6.11.1 CAPE Group shall document verification process, including all identifying information provided by a beneficiary or customers including but not limited to the type of document, any identification number contained in the document, statutory documents (for entity), the place of issuance, and if any, the date of issuance and expiration date.

6.11.2 The business units of the Group shall keep record of all transactions and ensure they are up to date and relevant. The records shall at least include the following information for each transaction:

- (a) Documents relating to the identification of the customer or transaction is executed;
- (b) The identification of the beneficial owner or transaction is executed;
- (c) Records of the relevant business account pertaining to the transaction executed;
- (d) The type and details of transaction involved;
- (e) Statutory documents (for entity);
- (f) The place and date of issuance of the documents, where applicable; and
- (g) Any other information as required by the authorities.

6.11.3 The business units of the Group are required to retain, for at least seven (7) years, the records of transactions, relevant customer due diligence information and other relevant records including agreements, financial accounts, business correspondences and documents relating to the transactions in a form that is admissible as evidence in court and make such documents available to authorities and law enforcement agencies in a timely manner.

6.12 Monitoring and Failure to Comply

6.12.1 It is the responsibility of CAPE Group to ensure full compliance with all the provisions in this AMLA Policy and to seek guidance where necessary from the respective superior, line manager or Head of Department or the Key Senior Management.

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6.12.2 Any Group personnel can notify his or her superior as soon as possible if he or she believes or suspects that a breach of this AMLA Policy has occurred or suspected to have occur. The Group personnel can raise his or her concerns in accordance with the Group's Whistle-Blowing Policy and SOP (icAPE-GP-02).

6.12.3 In the event of any breaches of this AMLA Policy by any Director, the relevant board of directors shall determine appropriate actions to be taken after considering all relevant information and circumstances.

6.12.4 When in doubt, the Group personnel shall be guided by the basic principles stated herein. Failure to comply with this AMLA Policy can result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

6.13 Compliance to the Law

6.13.1 CAPE Group shall comply with all applicable statutory laws, rules and regulatory requirements of the governments, commissions, and exchanges in jurisdictions within which the Group operates.

6.13.2 CAPE Group reserves its right to report any actions or activities suspected of being criminal in nature to the government agencies, anti-corruption agency, police, or other relevant authorities.

6.13.3 The implementation of this AMLA Policy is in line with the Whistleblower Protection Act 2010, Companies Act 2016, Malaysian Anti-Corruption Commission Act 2009, Capital Markets and Services Act 2007, Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, Personal Data Protection Act 2010 and all applicable statutory laws and regulatory requirements in Malaysia wherein provisions have been made to protect whistleblower make disclosures on breach or non-observance of any requirement or provision of the applicable law and regulations or on any serious offence involving wrongdoings, improper conducts, unethical practices or fraud and dishonesty.

6.13.4 CAPE Group reserves its right to report any actions or activities suspected of being criminal in nature to the anti-corruption agency, police, or other relevant law enforcement authorities.

6.14 Supplementary to Anti-money Laundering Policy and SOP

6.14.1 This AMLA Policy and SOP shall be read in conjunction with CAPE Group various policies and procedures such as :-

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- (a) ISO 37001:2016 ABMS Manual (icAPE-ABMS) and Procedures (ABMS-SOP);
- (b) Our Core Values (icAPE-GP-01);
- (c) Anti-bribery & Corruption Policy and SOP (icAPE-GP-02)
- (d) Whistleblowing Policy and SOP (icAPE-GP-03);
- (e) Code of Conduct & Ethics Policy and SOP (icAPE-GP-04);
- (f) ESG Sustainability Policy and SOP (icAPE-GP-05);
- (g) Personal Data Protection & Privacy Notice Policy and SOP (icAPE-GP-07);
- (h) Delegation of Authority Limits (FIN-SOP-10);
- (i) Employee Handbook.

6.15 Immunity and Disclaimer

6.15.1 If any of CAPE Group personnel who participate in any act that constitute the act of violation of laws, policies and procedures mentioned above which he or she reported shall not be given immunity against any investigation or disciplinary and criminal proceeding arising out of the report made. Nevertheless, in such circumstances, the fact that he or she had caused the report to be made can be taken into consideration as a mitigating factor.

6.16 Review of Anti-money Laundering Policy and SOP

6.16.1 The Board of Directors, and Key Senior Management of CAPE Group shall monitor the implementation of this AMLA Policy and SOP and review this SOP at planned interval to ensure that it continues to remain relevant and appropriate for its suitability, effectiveness and efficiency keeping with the changing business environment, administrative or operational needs as well as changes to statutory laws and regulatory requirements.

6.16.2 The ESG Department shall review and update (when necessary) this Code on a regular basis before forwarding to the Board of Directors and Key Senior Management for approval. This AMLA policy and SOP is subject to updating and modifications from time to time to be in line with applicable statutory laws and regulatory requirements and organizational changes within CAPE Group.

7.0 Appendix

7.1 Appendix icAPE-GP-04F: Suspicious Transaction Report form.

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Appendix icAPE-GP-06F : SUSPICIOUS TRANSACTION REPORT Form

| SUSPICIOUS TRANSACTION REPORT | |
|---|---|
| <p>This report is made pursuant to the requirements to report suspicious transaction under the means Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001. Under section 24 of the "AMLATFA", no civil, criminal, or disciplinary proceedings shall be brought against a person who makes a report unless it was made in bad faith.</p> | |
| 1 | REF. No.: _____ DATE : _____ |
| A. INFORMATION ON ALLEGED PERSON | |
| 1. | NAME : |
| 2. | OTHER/PREVIOUS NAME : |
| 3. | NATIONALITY : _____ POSITION : _____ |
| 5. | ID No. : _____ OTHER ID : _____ |
| 7. | GENDER : _____ MARITAL STATUS : _____ |
| 9. | OFFICE No.: _____ HOME No.: _____ |
| 10. | EMAIL : _____ MOBILE No. : _____ |
| 12. | HOME ADDRESS : |
| 13. | OFFICE ADDRESS :- |
| 14. | PREVIOUS ADDRESS : |
| 15. | SPOUSE NAME : |
| 16. | SPOUSE ADDRESS : |
| 17. | SPOUSE ID No. : _____ PLACE OF ISSUE: _____ |
| B. EMPLOYMENT INFORMATION OF ALLEGED PERSON | |

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| | |
|---|---|
| 1. | BUSINESS / EMPLOYMENT : |
| 2. | OCCUPATION : |
| 3. | EMPLOYER NAME : |
| 4. | EMPLOYER ADDRESS : |
| 5. | OTHER KNOWN EMPLOYEMENT : |
| C. ALLEGED TRANSACTION DETAILS | |
| 1. | ACCOUNT No.: |
| 2. | TRANSACTION DATE : |
| 3. | TRANSACTION AMOUNT : |
| 4. | ATTEMPTED BUT NOT COMPLETED : YES / NO |
| D. DESCRIPTION OF SUSPICIOUS TRANSACTION | |
| 1. | Is it an overpayment of account and the alleged person request for refund from CAPE Group? |
| 2. | Is it an early settlement of account that does not commensurate with the alleged person's financial standing? |
| 3. | Is the payment credited into the alleged person's account by a third party with no apparent relation to the person? |
| 4. | Is it frequent reload or withdrawal or cash-back of account? |
| 5. | Is it the unwillingness of alleged person or third party to disclose the identity? |
| 6. | Any other suspicious transaction? |
| 7. | Any suspected criminal activity? |
| 8. | Details of the nature and circumstance surrounding the suspicious transaction. |
| E. ADDITIONAL SUPPORTING EVIDENCE (Attach additional sheets, if necessary) | |

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| F. | DECLARATION |
| | I hereby declare that all the information given herein are made voluntary and are true, correct, and complete to the best of my knowledge and is made in good faith that all disclosed information, including the identity of the whistleblower shall be treated with strict confidentiality without fear of being subject to detrimental conduct. |
| | Signature : _____ |
| | Name : _____ |
| | Date : _____ |