

1. DEFINITIONS

"Board"	- the Board of Directors of the Company;
"Chairman"	- the Chairman of Audit Committee;
"Company"	- Hua Yang Berhad;
"Directors"	- Directors of the Company;
"Employee"	- any employee of the Company and shall include contract, secondment, temporary employees and interns;
"Good Faith"	- have personal knowledge or a factual basis for the report of improper conduct; - do not know or reasonably unknown of any contents which are false; - report must not frivolous or vexatious; or - the report must not made with malicious intent, ulterior motive or for personal gain in any circumstances;
"Hua Yang Group" or "Group"	- Hua Yang Berhad and its subsidiaries;
"Improper Conduct"	- generally any conduct which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the examples stated in section 4.3;
"Management"	- the management personnel of the Company;
"Policy"	- Whistleblowing Policy;
"Independent Non-Executive Director" or "INED"	- the Director appointed by the Board of Directors of Hua Yang Berhad to serve as a fallback point of contact when the normal channel of communication is considered to be inappropriate or inadequate; and
"Whistleblower" or "WB"	- a person that makes a report of improper conduct under this Policy.

2. WHISTLEBLOWING

- 2.1 The Company conducts its business based on the principles of fairness, honesty, openness, decency, integrity and respect. It strives to foster and maintain an environment where Whistleblowers can act appropriately, without fear of reprisal or retaliation.
- 2.2 The Company also seeks to address any alleged or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against the Whistleblowers and to protect the Whistleblowers to the extent reasonably practicable.

3. OBJECTIVE

- 3.1 The Whistleblowing Policy seeks to enhance corporate governance by helping to foster an environment where integrity and ethical behavior is maintained and any illegality, improper conduct and / or wrongdoings in the Group may be exposed.
- 3.2 This Policy may also act as an early warning system and may enable the Company to remedy any wrongdoings before serious damage is caused.
- 3.3 The purpose of this Policy is to provide a formal, confidential channel to enable employees to report in good faith, serious concerns of any improper conduct and / or wrongdoing that could adversely impact the Company or its subsidiaries, its employees, shareholders, investors, or the public at large without fear of being subject to detrimental action.

4. SCOPE OF THE POLICY

- 4.1 This Policy applies to the Company and its subsidiaries companies.
- 4.2 All employees, Directors, shareholders, consultants, vendors, contractors, agencies or any party with a business relationship with the Company and its subsidiaries are encouraged to report genuine concerns in relation to improper conduct.
- 4.3 Improper conduct is generally described as any conduct by employee, Director, agent, etc. which constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the following:
- The breach of any law, regulation or rule that is applicable to the Company. For example, a breach of insider trading laws.
 - Any criminal act, including criminal breach of trust, extortion and sabotage.
 - Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company's financial statements.
 - Any breach of ethics as described in the Code of Conduct and Business Ethics.
 - Any other action that would cause significant harm to the Company or to any person(s).
 - The deliberate concealment of information concerning any of the matters listed above.
- 4.4 Exclusion scope includes:
- Whistleblower procedures different from grievance procedures
Typically, whistleblowing does not affect the complainant personally. They are therefore different from a normal grievance or complaint in which the complainant is personally affected. If you are the victim of an improper conduct, the complaint shall be channelled through the grievance procedure so that the appropriate action may be taken and any restitution be made (if applicable).

- Sensitive matters
Some sensitive matters may have different procedures for reporting any improper conduct or wrongdoing such as sexual harassment. In circumstances where there are specific procedures prescribed, those specific procedures shall apply.

5. OVERSIGHT AND OWNERSHIP OF POLICY

- 5.1. The Audit Committee has overall responsibility for this Policy and shall oversee the implementation of this Policy.
- 5.2. The Audit Committee has delegated the day to day responsibility for the administration and implementation of the Policy to the Head of Human Resource. The use and effectiveness of this Policy shall be regularly monitored and reviewed by the Head of Human Resource.
- 5.3. The owner of this document is the Head of Human Resources who shall be responsible for incorporating any amendments and updates into this document, obtaining the approval of the Audit Committee for those amendments and updates and distributing the same to the relevant parties.

6. REPORTING PROCEDURES

- 6.1 All reports under this Policy shall be channelled to the AC Chairman (Independent Non-Executive Director (“INED”)) to address all concerns conveyed to him. All Directors and employees are directed to co-operate on any request made by AC Chairman.
- 6.2 The report of any misconduct which includes reports by employees, report by external parties who are not employees or anonymous report must be made in writing using the Whistleblower Reporting Form (Appendix A). All written reports should be sent directly via email to choo_sc@huayang.com.my or by hand to Hua Yang Berhad’s registered office at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor for attention of the AC Chairman.

7. INVESTIGATION

Please refer to the flowchart of Investigation Procedure in Appendix C.

8. CONFIDENTIALITY AND WHISTLEBLOWER PROTECTION

- 8.1 Confidential information of any information that is by its nature confidential or sensitive and / or not generally available to the public and in this Policy includes:-
 - i) information about the identity, rank, position or other personal details of a Whistleblower; or
 - ii) a person against whom a Whistleblower has made a disclosure; or
 - iii) information disclosed by a Whistleblower; or
 - iv) information that, if disclosed, may cause detriment to any person

PROCEDURE MANUAL**WHISTLEBLOWING POLICY AND PROCEDURES**

- 8.2 Any employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions (“Detrimental Action”) by the Company.
- 8.3 Any report of improper conduct made in good faith, even if it is not subsequently confirmed by an investigation shall be eligible for protection under this Policy.
- 8.4 Any employee that makes a report of improper conduct in good faith and who has been subjected to Detrimental Action may lodge a complaint pursuant to this Policy using the form (Appendix B). The same procedures for investigation on the reports of improper conduct shall apply to any complaint of Detrimental Action.
- 8.5 An employee who takes any detrimental action against any employee who has made a report of improper conduct in good faith shall be subject to disciplinary action (which may include termination of employment).

9. CONFIDENTIALITY AND WHISTLEBLOWER PROTECTION

- 9.1 The Company recognises that anonymity to Whistleblowers who willingly come forward to report a suspicion of misconduct is key to encouraging such reporting. Reports may be made on an anonymous basis. However, natural justice usually requires that the details and identity of the Employee or Stakeholder submitting the whistleblowing report be disclosed in any disciplinary investigation or action to be taken against the person(s) who is a subject of the complaint in the whistleblowing report. Anonymous whistleblowing reports will therefore be considered at the discretion of the Audit Committee. In exercising this discretion, the Audit Committee will consider (i) the seriousness of the issues raised, (ii) credibility of the whistleblowing report, and (iii) likelihood of confirming the allegation from the relevant sources.
- 9.2 A Whistleblower will be accorded with protection of confidentiality of identity, to the extent of reasonably practicable. In addition, an employee who whistleblows internally will also be protected against any adverse and detrimental action against him/her, provided such disclosure is made in good faith and without malice.
- 9.3 The information provided shall be kept strictly confidential and the Company will not tolerate any harassment or victimization and will take appropriate action to protect the Whistleblower when he/she raises the concern in good faith. Officer will be appointed to ensure the welfare of the whistleblower.
- 9.4 The Company will not penalise any employee who raises such genuine concerns even though his/her was found mistaken after due enquiry.

10. WHEN PROTECTION MAY NOT BE AVAILABLE

- 10.1 The employee may not avail him/herself to the protection against detrimental action mentioned in section 8 above in the following circumstances:
- a) if the report of improper conduct is not made in good faith; or
 - b) if the employee him/herself has participated in the improper conduct reported; or

- c) the report of improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
 - d) the employee breaches his/her obligations of confidentiality under this Policy.
- 10.2 Any employee who has participated in an improper conduct may be subject to disciplinary action. However, in certain circumstances, the Audit Committee may, in its discretion, on a case by case basis decides to grant amnesty to the employee or consider leniency for the employee.
- 10.3 However, please note that the Company has no power to provide any immunity from criminal prosecution. The Company also does not have any power to grant any protection from detrimental action to a Whistleblower who is not an employee.

11. NOTIFICATION

The SINED or an officer appointed will within 10 calendar days, contact the person who submitted the whistleblowing report to acknowledge that the report has been received, indicate how the report will be dealt with and keep the Whistleblower informed of the progress.

Upon the completion of the whistleblowing process and procedures, the Whistleblower will be accorded the privilege to be notified on the outcome of the investigation on the disclosure.

12. REVIEW OF POLICY

The Board or Audit Committee can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulation and/or accommodate organisational changes within the Company or Group. However, the modification made shall be effective after the same is circulated to employees in writing or electronically.

BY ORDER OF THE BOARD OF DIRECTORS

**Chairman
Board of Directors of Hua Yang Berhad**

APPENDIX A

PRIVATE & CONFIDENTIAL

WHISTLEBLOWER REPORTING FORM (1/3)

Please provide the following details for any suspected misconduct and submit directly to the Audit Committee. Please note that you may be called upon to assist in the investigation, if required.

<u>Whistleblower's Contact Information</u>			
Name:			
Contact Number:		Email Address:	
<u>Suspect's Information</u>			
Name:			
Functional Title:			
Division & Department (where applicable):			
Contact Number:		Email Address:	
<u>Witness(es) Information (if any)</u>			
Name (1):			
Division & Department (where applicable):			
Contact Number:		Email Address:	
Name (2):			
Division & Department:			
Contact Number:		Email Address:	

WHISTLEBLOWER REPORTING FORM (2/3)**Complaint:**

Briefly describe the Misconduct and how you know about it. Specify what, who, when, where and how. If there is more than one allegation, number each allegation and use as many pages as necessary.

1) What was the misconduct which had occurred?

2) Who had committed the misconduct?

3) When did it happen and when did you notice it?

4) Where did it happen?

5) Is there any evidence that you could provide?

6) Are there any other parties involved other than the suspect stated above?

7) Do you have any other details or information which would assist us in the investigation?

8) Any other comments

DECLARATION

I declared that all the information provided in this Form is true, correct and complete to the best of my knowledge, information and belief.

I hereby agree that the information provided herein to be used and processed for investigation purposes and further agree that the information provided herein may be forwarded to another department / authority / enforcement agency for purpose of investigation.

Date:

Signature:

WHISTLEBLOWER REPORTING FORM (3/3)

For Audit Committee Use	Complaint No.
Received By:	Received On:
	Acknowledgement Sent On:
Investigation Required (Yes/No)? (If no, please state the reason)	
Investigation To Be Done By:	
Investigation Results:	
Action Taken/Conclusion:	
Signed Off By:	

APPENDIX B

PRIVATE & CONFIDENTIAL

COMPLAINT OF DETRIMENTAL ACTION (1/2)

<u>FORM FOR COMPLAINT OF DETRIMENTAL ACTION</u>			
Name:			
Contact Number:		Email Address:	
<u>Information and particulars of Detrimental Action:</u>			
Name(s) of Person(s) committing the Detrimental Action:			
Detrimental Action complained of: *Please submit supporting documents if available. *Please attach additional sheets if necessary			
Division & Department (where applicable):			
<u>DECLARATION</u>			
I declared that all the information provided in this Form is true, correct and complete to the best of my knowledge, information and belief.			
I hereby agree that the information provided herein to be used and processed for investigation purposes and further agree that the information provided herein may be forwarded to another department / authority / enforcement agency for purpose of investigation.			
Date:		Signature:	

COMPLAINT OF DETRIMENTAL ACTION (2/2)

For Audit Committee Use	Complaint No.
Received By:	Received On:
	Acknowledgement Sent On:
Investigation Required (Yes/No)? (If no, please state the reason)	
Investigation To Be Done By:	
Investigation Results:	
Action Taken/Conclusion:	
Signed Off By:	

APPENDIX C

FLOWCHART OF INVESTIGATION PROCEDURES

