SINMAH CAPITAL BERHAD [Registration No.: 199401015973 (301653 – V)]
FRAUD POLICY

1. BACKGROUND

The corporate fraud policy is established to facilitate the development of controls which will aid in detection and prevention of fraud against SINMAH CAPITAL BERHAD GROUP ("the Group"). It is the intent of the Group to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

2. SCOPE OF POLICY

This policy applies to any fraud, or suspected fraud, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Group.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Group.

3. POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the **Managing Director**, who forms an Investigation Unit and coordinates all investigations with the relevant parties, both internal and external.

4. ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the Group
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of the Group's activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the Group
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Group
  Exception: Gifts less than RM50 in value.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

5. OTHER INAPPROPRIATE CONDUCT

Suspected improprieties concerning an employee's moral, ethical, or behavioural conduct, should be resolved by the Managing Director rather than the Department Heads.

If there is any question as to whether an action constitutes fraud, contact the Managing Director for guidance.

6. INVESTIGATION RESPONSIBILITIES

The Managing Director has the responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Managing Director will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors through the Audit Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

7. CONFIDENTIALITY

The Managing Director treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Managing Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **REPORTING PROCEDURES** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Group from potential civil liability.

8. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Members of the Investigation Unit will have:

- Free and unrestricted access to all Group records and premises, whether owned or rented; AND
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

9. REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Managing Director immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Investigation Unit. No information concerning status of an investigation will be given out. The proper response to any inquiries is: “I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation”, “the crime”, “the fraud”, “the forgery”, “the misappropriation”, or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by legal counsel or the Managing Director.

10. TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Managing Director and, if necessary, by external legal advisor, before any such action is taken. The Department Heads do not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's top management. Should the affected employee believe the management decision to be inappropriate for the facts presented, the facts will be presented to the Board of Directors for a decision.

11. ADMINISTRATION

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

12. REVIEW OF THIS POLICY

This policy shall be subject to review should there be any changes to the laws and regulations.

Date of Review: 20 November 2023