

Anti-Fraud Policy and Procedure

PP-CG-002-V1.3

1.0 PURPOSE

Guan Chong Berhad (the Company) is committed to ethical behaviour and values. It is amongst its first priorities to establish a corporate and working culture that enhances the value of ethics and promote consistent organisational behaviour. To this effect, the Company requires adherence to this Anti-Fraud Policy and Procedure (this Policy). The main objective of this Policy is to facilitate the development of controls that will aid in the detection and prevention of fraud against the Company, thereby creating an environment that safeguards the Company's assets and fosters morality, integrity and business conduct.

2.0 SCOPE

This Policy applies to all Directors, senior managers, employees, contractors and subsidiaries. Refer to Appendix 1 for the list of the Company's subsidiaries.

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

3.0 POLICY STATEMENT

The Company adopts a zero-tolerance policy to fraud and expects all Directors, senior managers, employees, contractors and subsidiaries to act with honesty. Upon the completion of the fraud investigation, disciplinary actions may be enforced against the person found guilty of the alleged fraud, including prosecution and termination.

4.0 FRAUD DEFINITION

In this Policy, the term "Fraud" shall mean *"Any illegal acts characterised by deceit, concealment, or violation of trust. Fraud is perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage."*

Examples of activities which would fall within the above definition include:

- Falsification and/or intentional misreporting of revenue, expenses and invoices;
- Irregularity in the handling or reporting of money transactions;
- Theft of cash or fixed assets including furniture, fixtures and equipment;
- Knowingly providing false information on job applications;
- Knowingly promoting false information on the Company's products and services;
- Forgery or alternation of financial instruments and securities;
- Misappropriation of funds, securities, supplies or any other assets;
- Unauthorised use or misuse of the Company's property, equipment, materials or records, including corporate bank accounts, intellectual property and confidential information;
- Any computer-related activity involving the alternation, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of the Company's owned software licenses; and
- Manipulation of information for the process of achieving an incentive (bonus) payment.

The list above is not exhaustive.

5.0 ROLES AND RESPONSIBILITIES

5.1 Whistleblowing Committee

The Whistleblowing Committee shall:

- Comply with the procedure in Whistleblower Procedure;
- Assess the alleged fraud and order a fraud investigation;
- Assign the appropriate EXCO members and/or senior managers to conduct fraud investigations, where required;
- Provide general guidance in respect of fraud investigations, where required; and
- Report findings of fraud investigation to the Audit Committee.

5.2 EXCO

The EXCO members shall:

- Provide direction and give mandate in compliance with the Company’s Business Ethics Policy and Code of Conduct;
- Ensure that this Policy is distributed to all stakeholders concerned;
- Upon an order given by the Whistleblowing Committee, conduct fraud investigation in accordance with the procedure given in the Whistleblower Procedure;
- Report findings of fraud investigation to the Whistleblowing Committee; and
- Decide for further action regarding confirmed fraud practices, where appropriate.

5.3 Senior Management

The senior management has the responsibilities to:

- Understand and abide by the Company’s Business Ethics Policy and Code of Conduct;
- Set the tone for zero tolerance on fraud activities through actions;
- Institute and maintain a system of internal controls for the prevention of fraud;
- Implement this Policy;
- Monitor business activities of employees and contractors and stay alert to potential signs of fraud;
- Report any suspected fraud practices to the Whistleblowing Committee;
- Upon an order given by the Whistleblowing Committee, conduct fraud investigations in accordance with the procedure given in the Whistleblower Procedure; and
- Report findings of fraud investigation to the Whistleblowing Committee.

5.4 Audit Committee

The Audit Committee shall:

- Ensure that the Company practices an effective ethics and compliance program;
- Review and assess the adequacy of internal controls; and
- Review and acknowledge the findings of fraud investigations.

5.5 Employees and contractors

All employees and contractors shall:

- Understand and abide by the Company's Business Ethics Policy and Code of Conduct;
- Follow this Policy;
- Stay alert to potential signs of fraud and report any suspected fraud practices to the Whistleblowing Committee through prescribed channel; and
- Provide any required information to the Investigation Unit during the investigation process.

6.0 REPORTING CHANNEL

An individual who discovers or suspects a breach of this Policy (the whistleblower) shall notify the Whistleblowing Committee immediately via email (whistleblower@favorich.com) or other established reporting channels. Refer to the Whistleblower Procedure for more information.

7.0 MAINTENANCE OF RECORDS

The Investigation Unit shall ensure proper maintenance and retention of all documentation. All documentation shall be retained for 7 years. Such documentation should be readily accessible.

8.0 MODIFICATION

The Corporate Governance Committee, the Whistleblowing Committee and the Board of Directors shall review this Policy annually and reserve the right to modify or amend this Policy at any time as they may deem necessary.

9.0 VERSION HISTORY

Version	Author	Date	Changes
PP-CG-002-V1.1	Jasmine Hia	19/02/21	Changed whistleblowing@favorich.com to whistleblower@favorich.com
PP-CG-002-V1.2	Jasmine Hia	05/05/21	Removed Procedure section and added Reporting Channel section
PP-CG-002-V1.3	Lydia Teo	08/09/22	Changed no. of years for maintenance of records Added new subsidiaries

10.0 APPENDIX

Appendix 1: List of all GCB's subsidiaries

- Guan Chong Cocoa Manufacturer Sdn Bhd
- PT Asia Cocoa Indonesia
- PT GCB Cocoa Indonesia
- GCB Cocoa Malaysia Sdn Bhd
- GCB Foods Sdn Bhd
- Carlyle Cocoa Co, LLC
- GCB Cocoa Singapore Pte Ltd
- SCHOKINAG-Schokolade-Industrie GmbH
- GCB Cocoa Côte d'Ivoire
- GCB Cocoa Trading Côte d'Ivoire
- GCB Cocoa UK Limited
- GCB Cocoa Europe BV