



KIM HIN INDUSTRY BERHAD

[Registration No.: 197301003569 (18203-V)]

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

01 August 2024

1) Ethical Commitment

Kim Hin Industry Berhad and its subsidiary companies (“Kim Hin Group”) regards honesty, integrity and fair play as our core values that must be upheld by all directors and staff of the Company at all times. This policy sets out the basic standard of conduct expected of all directors and staff on Anti-Bribery and Corruption when dealing with the Company’s businesses.

2) Anti-Bribery and Anti-Corruption

2.1) Compliance with the law

All employees of Kim Hin Group are responsible in ensuring that they always comply with all laws and regulations, in particular, to the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). No excuses or exceptions will be acceptable for non-compliance of any domiciled laws and regulations where Kim Hin Group conducts its businesses.

2.2) Kim Hin Group do not, directly or through a third party, promise, offer, make, authorise, solicit or accept any financial or other advantage, to or from anyone to obtain or retain businesses or secure an improper advantage in the conduct of businesses. This rule applies regardless of whether they are government officials or work in a private sector entity. Financial or other advantage covers anything of value, including cash, gifts, services, job offers, loans, travel expenses, entertainment or hospitality.

2.3) All forms of bribery or corruption are prohibited and will not be tolerated. Any breach of Kim Hin Group’s Anti-Bribery and Anti-Corruption Handbook (“ABAC Handbook”) and the Group’s Code of Conduct or applicable laws may result in disciplinary and/or legal action being taken.

Directors and employees must raise any concerns regarding acts of bribery and corruption within Kim Hin Group to the reporting manager, respective Heads of Division/Department. Alternatively, to report through Kim Hin Group’s whistleblowing channels.

3) Prevention of Bribery

- Kim Hin Group prohibit all forms of bribery and corruption whether they take place directly or through third parties.
- All directors and staff of Kim Hin Group are prohibited from soliciting, accepting or offering any bribe in conducting the Company’s businesses or affairs, whether in Malaysia or elsewhere. In conducting all businesses or affairs of the Company, they must comply with the provisions of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and must not;
 - a) Solicit or accept any advantage from others as a reward for or inducement to do any act or showing favour in relation to the Company’s businesses or affairs, or offer any advantage to an agent of another as a reward for or inducement to do any act or showing favour in relation to his principal’s businesses or affairs;
 - b) Offer any advantage to any public servant (include Government/public body employee) as a reward for or inducement to his performing any act in his official capacity or his showing any favour or providing any assistance in business dealing with the Government/ a public body; or
 - c) Offer any advantage to any staff of a Government department or public body while having business dealing.

- Customers and third parties shall take practical measures to prevent corrupt practices in their dealings with the company as their actions could affect Kim Hin Group legally and tarnish the Group's reputation.

4) Facilitation Payment

- Facilitation payments are unofficial, improper, small payments made to a lower level official to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment is legally entitled.
- Facilitation payments are prohibited in most jurisdictions.
- Enterprises should, accordingly, not make such facilitation payments but it is recognized that they may be confronted with exigent circumstances, in which the making of a facilitation payment can hardly be avoided, such as duress or when the health, security or safety of the Enterprise's employees are at risk.
- When a facilitation payment is made under such circumstances, it will be accurately accounted for in the Enterprise's books and accounting records.

5) Entertainment

- Although entertainment is an acceptable form of business and social behavior, a director or staff member should avoid accepting lavish or frequent entertainment from persons with whom the Company has business dealing (e.g. suppliers or contractors) or from his/her subordinates to avoid placing himself/herself in a position of obligation.

6) Charitable contributions and sponsorships

- To ensure charitable contributions and sponsorships are not used as a subterfuge for bribery.

7) Gifts and Hospitality

- A conflict of interest exists when the personal interest of a director or an employee conflicts in any way with the interests of the Group. This policy prohibits excessive or inappropriate gifts and acts of hospitality to or from third parties.
- As a general guide, directors and employees shall decline excessive or inappropriate gifts or acts of hospitality that may:
 - (i) place them in conflict of interest;
 - (ii) influence business decisions on behalf of the company;
 - (iii) create an impression that the company is trying to obtain favorable business advantage/treatment; or
 - (iv) likely to compromise personal or professional integrity.
- Directors and employees must comply with the policies set out in the ABAC Handbook and the Group's Code of Conduct, and maintain expenses within the limits of entitlement.
- Kim Hin Group encourages directors and employees to practice good judgment and discretion before accepting gifts and acts of hospitality offered or provided by customers and/or third parties.

- If in doubt whether it is appropriate to receive any gifts or hospitality offered, directors and employees shall consult the respective Heads of Division/ Department or Group Management for advice.

➤ **Gifts**

Gifts valued at RM1,000.00 or under may be retained, whether given in recognition of presentations or otherwise.

For gifts exceeding a value of RM1,000.00 the following options are suggested:

- (1) share the gift with all staff;
- (2) raffle the gift for charity;
- (3) donate the gift to charity; or
- (4) make a donation to charity and keep the gift.

➤ **Hospitality**

- Hospitality offered should only be accepted where there is a direct link to working arrangements and a genuine business reason can be demonstrated, for example:
 - (i) attendance or speaking at a conference, which provides complimentary subsistence, travel and accommodation;
 - (ii) attending at a free training course; or attending a drinks reception to network.
- It is recognized that, in the course of carrying out your duties, you will need on occasion to ensure good relationships with existing and future contractors and stakeholders and that this may involve for example, the receipt of modest working lunches and dinners. These are acceptable where there is a genuine business reason.
- Hospitality invitations to events which are purely social events should be considered very carefully before accepting; in such circumstances it may be much more difficult to substantiate a genuine business reason. You are expected to use annual leave for such events. You may not accept free holidays from a current or potential contractor. These invitations should be recorded in the register whether received or declined.

8) Records, Accounts and Other Documents

- Directors and staff should ensure that all records, receipts, accounts or other documents they submit to the Company give a true representation of the facts, events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the Company, regardless of whether there is any gain or advantage involved, may constitute an offence under the provisions of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

9) Conflict of Interest

- Directors and staff should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Company) or the perception of such conflicts. When actual or potential conflict of interest arises, the director or staff member should make a declaration to the approving authority through the reporting channel.

- Some common examples of conflict of interest are described below but they are by no means exhaustive:
 - a) A staff member involved in a procurement exercise is closely related to or has financial interest in the business of a supplier who is being considered for selection by the Company.
 - b) One of the candidates under consideration in a recruitment or promotion exercise is a family member, a relative or a close personal friend of the staff member involved in the process.
 - c) A director of the Company has financial interest in a company whose quotation or tender is under consideration by the Board.
 - d) A staff member (full-time or part-time) undertaking part-time work with a contractor whom he is responsible for monitoring.

10) Misuse of Official Position, Company Assets and Information

- Directors and staff must not misuse their official position in the Company to pursue their own private interests, which include both financial and personal interests and those of their family members, relatives or close personal friends.
- Directors and staff in charge of or having access to any Company assets, including funds, property, information, and intellectual property, should use them solely for the purpose of conducting the Company's businesses. Unauthorised use, such as misuse for personal interest, is strictly prohibited.
- Directors and staff should not disclose any classified information of the Company without authorisation or misuse any Company information (e.g. unauthorised sale of the information). Those who have access to or are in control of such information, including information in the Company's computer system, should protect the information from unauthorised disclosure or misuse. Special care should also be taken in the use of any personal data, including directors', staff's and customers' personal data, to ensure compliance with Malaysia's Personal Data (Privacy) Ordinance.

11) Dealing with Third Parties

- All employees must ensure that all dealings with third parties are carried out consistently with values and principles of the ABAC Handbook and Code of Conduct, and in compliance with the applicable laws and regulations relating to bribery, corruption and fraud.
- Kim Hin Group expects all third parties acting for or on its behalf to have an acceptable standard of integrity in the conduct of their businesses.
- Kim Hin Group expects its employees to use good judgment and common sense in assessing the integrity and ethical business practices of third parties and therefore, has provided the below as a guideline.
 - a) To ensure third parties share Kim Hin Group's standards of integrity, it is the responsibility of employees to undertake appropriate due diligence to assess the integrity of the prospective business counterparties. The due diligence should also take into consideration elements of corruption including bribery; ensure all third parties are made aware of and understand the ABAC Handbook by executing the Third Party Declaration;

- b) Monitor the performance of third parties and business practices periodically to ensure ongoing compliance.
- c) Any third parties who act in a manner inconsistent with the ABAC Handbook during the due diligence exercise or in the dealings with a third party warrant further investigation, and must be sufficiently addressed before engagement of the third party.
- d) To ensure procurement activities with any contractors or vendors are in line with the ABAC Handbook, employees shall:
 - (i) undertake appropriate due diligence of contractors and vendors before they are registered with Kim Hin Group. Contractors and vendors known or reasonably suspected of corrupt practices or bribery should be avoided;
 - (ii) ensure all contractors and vendors are made aware of, understand and comply with the relevant policies of the ABAC Handbook; and
 - (iii) monitor the performance of contractors and vendors periodically to ensure ongoing compliance.
- e) In the event that any contractors and vendors commit bribery or attempt to commit bribery, or act in a manner which is inconsistent with the ABAC Handbook, Kim Hin Group reserves the right to terminate their services.

12) Dealing with Government or Public Bodies

- Caution must be exercised when dealing with public officials as it is an offence for a public official to obtain any gift from any person involved in any proceeding or business transaction with him/her.
- Offering a gratification by corrupt or illegal means to influence a public official or offering gratification for the exercise of personal influence with a public official is also an offence.

13) Whistleblowing

- Kim Hin Group is committed to provide an avenue for all employees to raise concerns about any suspected and/or known improper conduct that they may observe occurring within the Group.
- All reported concerns will be treated confidentially and are to be kept protected against any unauthorised use and access, except where it is permitted under applicable laws.

If you know of, or have good reason to suspect, an unlawful or unethical situation, you can report the matter to the following persons:

Your immediate Supervisor or Head of Department

- The HR department (hr@kimhin.com.my)
- Group Managing Director (john.chua@kimhin.com.my)
- Chairman of Audit Committee (psics2011@gmail.com)
- Member of Audit Committee (kbsim65@gmail.com)
- Member of Audit Committee (taihuiaw@yahoo.com)

14) Recruitment of Employees

- Kim Hin Group will conduct proper background checks to ensure that the potential employee has not been convicted in any corruption and/ or bribery cases. More detailed background checks shall be taken when hiring employees for management positions.

15) Compliance with the Policy

- It is the responsibility of every director and staff member of the Company to understand and comply with this policy, whether performing his duties of the Company in or outside Malaysia. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this policy.
- Any director or staff member in breach of this policy will be subject to disciplinary action, including termination of appointment.
- Any enquiries about this policy or reports of possible breaches of this policy should be made to the Senior Management of Kim Hin Industry Berhad. In cases of suspected corruption or other criminal offences, a report should be made to the appropriate authority.

16) Review of Processes

The processes of Anti-Bribery and Anti-Corruption (ABAC) shall be reviewed by the Internal Auditors annually to ensure that compliance resources are focused on the significant ABAC risk faced by the Company.

The Internal Auditors shall report to the Board Committee on the results of their review.