



LEONG HUP INTERNATIONAL BERHAD

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ANTI-BRIBERY AND CORRUPTION POLICY

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1. Anti-Bribery and Corruption Policy (“this Policy”)

This has been developed and designed as part of Leong Hup International Group’s Anti-Bribery Management System, which objectives include:

- (a) to help prevent, detect and address bribery and corruption
- (b) to establish a culture of integrity, transparency and compliance.
- (c) to provide guidance on how to recognise and deal with potential acts of bribery and corruption arising in the course of operations.

This Policy is not intended to be exhaustive.

2. Application

This Policy applies to all employees and directors of Leong Hup International Group, as well as Third Parties acting for or on behalf of the Group.

3. Related Documents

This Policy shall be read together with:

- (a) Leong Hup International Group’s various policies, procedures and guidelines, including but not limited to the Group’s Anti-Bribery and Corruption Standard Operating Procedure (“ABC SOP”);
- (b) All applicable laws and regulations. i.e, Malaysian Penal Code 1936, Malaysian Anti-Corruption Commission Act 2009 (“MACCA”), Malaysian Anti-Money Laundering Act 2011, and Malaysian Companies Act 2016; and
- (c) The Prime Minister’s Department Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A of the MACCA (as may be amended from time to time).

4. Compliance with Laws and Regulations

This Policy extends across all of Leong Hup International Group’s business dealings in all countries in which the Group operates, not only the Malaysian laws and regulations but also the laws and regulations applicable in the location of the business activities, in particular with respect to anti-bribery and corruption laws, rules and regulations.

5. Responsibility for this Policy

Board of Directors of Leong Hup International Berhad (“BOD”)

Sets commitment towards prohibition of bribery and corruption in the business conduct of the Group, including approval of this Policy, and ensuring this Policy complies with the Group’s legal and ethical obligations.

Audit and Risk Committee of Leong Hup International Berhad (“ARC”)

Oversees the governance and compliance of this Policy, and ensuring the effectiveness of risk assessment and management framework as well as internal control system.

Senior Management of Leong Hup International Berhad

Provides overall direction and support across the Group to ensure effective implementation, operation and monitoring of this Policy, and promotes anti-bribery and corruption culture within the Group.

Employees of Leong Hup Group

Read, understand and adhere to this Policy and the related documents, and report on any concerns, non-compliance or suspected bribery or corruption incident in accordance with **Section 17** of this Policy.

In-house Internal Audit Manager of Leong Hup International Berhad as the Compliance Officer

- (a) Monitors the implementation, compliance and effectiveness of this Policy through periodic review, audit and risk assessment;
- (b) Attends to inquiries about this Policy, the ABC SOP, and any bribery and corruption-related matters; and
- (c) Reports any non-compliance issues or concerns to the ARC, for further action to be taken.

6. Definition

“**Bribery**” or “**Corruption**” means any act considered as an offence of giving or receiving ‘gratification’ under the MACCA. This includes offering, promising, giving, accepting or soliciting any ‘gratification’, directly or indirectly, and irrespective of locations, to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation or a function, or to obtain or retain business, or commercial advantage.

“**Facilitation Payment**” means any unofficial payment or other provision made to or received by an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function.

“**Hospitality**” means considerate care provided to or received from Third Parties, which includes (but not limited to):

- (a) Meals or refreshments;
- (b) Organisation of corporate events or activities;
- (c) Entertainment of individuals, especially at sporting or other public events, and
- (d) Travel and accommodation expenses.

“**Public Official**” refers to any person who holds a public office or exercises a public function for a country.

“**Third Party**” refers to any external individual or organisation with whom Leong Hup International Group has, or plans to establish, some form of business relationship, eg. existing or prospective agents, representatives, intermediaries, joint venture partners, consultants, customers, advisers, contractors, subcontractors, vendors, distributors and service providers.

7. Payments

All payments made by Leong Hup International Group must be warranted, transparent and proper. No payments shall be made as a subterfuge for bribery or any acts of corruption.

Any person discharging their duties for or on behalf of the Group is prohibited to **offer, promise, authorise, give, request, accept or receive**, either directly or indirectly, to or from any person,

any financial or other advantages which may raise suggestions of impropriety, or with the intent to obtain or retain business, or other advantages.

Accordingly, all payments made by the Group must be bona fide, substantiated, approved by authorised personnel, accurately recorded and properly retained in accordance with **Section 15** of this Policy.

8. Gifts and Hospitality

The giving and receiving of modest gifts and reasonable acts of hospitality are allowed by Leong Hup International Group only as a legitimate means of building goodwill in business relationships.

These must be done in accordance with the approval and requirements as stipulated in the **ABC SOP**.

9. Donations and Sponsorships

Leong Hup International Group prohibits donations or sponsorships as a subterfuge for bribery to influence actions or the outcome of business decisions.

Any requests for donations and sponsorships must be examined for legitimacy and only sanctioned subject to approval and requirements as stipulated in the **ABC SOP**. They must be properly documented and retained in accordance with **Section 15** of this Policy.

Donations to foreign-based charities or beneficiaries must be handled with special caution to so as to avoid violation of international anti-money laundering, anti-terrorism and other applicable laws.

10. Political Contributions

Leong Hup International Group's funds or resources must not be used to make any direct or indirect political contributions without prior written approval from the ARC and/or BOD establishing that it is in the best interest of Leong Hup International Group to do so.

such political contributions may be used as a subterfuge for bribery.

11. Recruitment of Employees

Leong Hup International Group's recruitment, performance evaluation, remuneration, recognition and promotion for employees and directors shall be objective and show no favour.

Appropriate due diligence shall be conducted on prospective employees and directors, in proportion to the risk profile of the position.

12. Dealing with Third Parties

Leong Hup International Group will engage zero tolerance against bribery and corruption. This prohibition specifically includes kickbacks in any form, offers to split or share any commission, or any other improper or hidden compensation.

Declaration and/or standard clauses shall be obtained/ included in all legal documents and/or contracts with Third Parties requiring them to comply with this Policy, besides granting Leong Hup International Group the right to terminate any contract in which bribery or an act of corruption has been observed or proven to occur.

13. Dealings with Public Officials

Leong Hup International Group strives to build transparent and fair relationships with Public Officials, without the appearance of impropriety.

Any dealings with public officials, especially offering of gifts, hospitality and other benefits, shall be subject to requirements as stipulated in the ABC SOP and Sections 8, 9 and 10 of this Policy, and require additional scrutiny and approval of the Group or Country CEO / Head (in consultation with legal advisors, where necessary).

14. Conflict of Interest

Any person discharging their duties on behalf of Leong Hup International Group must avoid conflicts of interest.

In situations where a conflict occurs or is perceived to occur, the person is required to declare the matter to the Compliance Officer immediately, for appropriate actions to be taken.

15. Record Keeping

The evidence of business reasons for making payments to Third Parties, shall be kept for a period of time subject to prevailing laws and regulations on record keeping.

All gifts, hospitality, donations, sponsorships, etc, extended to or received from Third Parties, in the course of business operations, must be declared, properly documented and recorded in a register maintained by respective Country Human Resources.

Such register shall be submitted to the Compliance Officer on a monthly basis for consolidation and monitoring purposes. A summary of declarations and red flags noted shall be prepared by the Compliance Officer and tabled to the ARC every quarter, or at its discretion, at a shorter interval.

16. Communication, Training and Awareness

This Policy is published on Leong Hup International Group's website. All persons subject to this Policy must be informed whenever significant changes are made to this Policy.

The Country Human Resources under the preview of the respective Country CEOs/ Heads shall ensure the effectiveness and adequacy of the trainings, and maintain records of all training and awareness programmes, including attendance of participants.

These anti-bribery and corruption practices must also be communicated to all Third Parties at the onset of relationship with them and repeated or reinforced as appropriate thereafter.

17. Raising Concerns

Any attempted, suspected or actual bribery or corruption activities and/or violations of this Policy or the related documents, or applicable laws, is promptly report the concern in writing, by email or post, to:

- (a) the Compliance Officer;
- (b) the Group or Country CEOs/ Heads; or
- (c) the ARC (as prescribed in the Whistleblowing Policy of Leong Hup International Group).

Reports made in good faith, as provided by the Group's Whistleblowing Policy.

18. Audit & Compliance

Periodic audits for the internal control systems and procedures of the Group, include performance improvement action plans to rectify any deficiencies identified as soon as possible.

Such audits shall be conducted by an independent external party as appointed by the ARC. The outcome of the audits shall be reported to the ARC (and the BOD, where necessary).

19. Infringement of this Policy

Any acts of bribery and misconduct, shall constitute offences. Disciplinary action against the offenders, including termination of employment or business relationship.

Non-compliance/ infringement issues identified by audits or other means shall be reported to the ARC (and the BOD, where necessary) in a timely manner, for appropriate action to be taken.

20. Risk Assessment and Policy Review

To continuously improve and review, at least once every three (3) years, its policies and procedures relating to anti-bribery and corruption.

Any changes to this Policy shall be approved by the BOD.