

**CHIN HIN GROUP BERHAD**  
[Company Registration No. 201401021421(1097507-W)]  
(Incorporated in Malaysia)

**ANTI-BRIBERY AND CORRUPTION POLICY**

**(A) PURPOSE OF THE POLICY**

Chin Hin Group Berhad (“Company”) and its subsidiaries (“Chin Hin Group” or Group”) are committed in conducting its business with ethics and integrity, and also in compliance with all applicable laws on anti-bribery and anti-corruption of the country where the Group operates in. The Group does not tolerate any form of bribery or corruption in its business dealings. This Anti-Bribery and Corruption Policy (“Policy”) has been designed to provide guidance to Group’s and those with whom the Group has business dealings on how to prevent, deal with and combat bribery and corrupt activities and their associated issues that may come about in the course of doing business.

**(B) TO WHO THIS POLICY APPLIES**

This Policy applies to all employees (full-time, part-time, interns, probationary, contract or otherwise), Directors (as defined under the Companies Act 2016 and/or the Listing Requirements of Bursa Malaysia Securities Berhad, as the case may be, i.e. inclusive of Executive and Non-Executive, as well as Independent Directors) and any person who or which provides services for or on behalf of the Group. These persons include agents, consultants, vendors, contractors, business partners and associates, business intermediaries, suppliers, and representatives of the Group (collectively known as “Associated Persons”). For employees and Directors, this Policy must be read in conjunction with the Group’s Code of Conduct.

**(C) WHAT ASSOCIATED PERSONS MUST NOT DO**

The laws and regulations on anti-bribery and anti-corruption make it illegal for any person to:

- a) Corruptly give, agree to give, promise or offer to any person, whether for the benefit of that person or of another person, with the intent of obtaining or retaining a business for the Group or obtaining or retaining an advantage in the conduct of the Group’s business; or
- b) Solicit, receive or agree to receive for himself or for any other person any gratification as an inducement or reward to do or forbear from doing anything in respect of any matter or transaction, whether actual, proposed or likely to take place.

Accordingly, Associated Persons shall NOT at any time:

- a) Corruptly give, agree to give, offer or promise, directly or indirectly, anything of value in order to obtain or retain any personal advantage, business for the Group or business advantage for the Group; or
- b) Request or accept, directly or indirectly, anything of value that may influence the Associated Persons' objectivity in carrying out the employment or business that may be perceived as bribery or corruption.

For the purpose of this Policy:

- **Bribery** means to offer, promise, give, accept or solicit anything of value, favour, position or title as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of money, gifts, loans, fees, rewards or other advantages like taxes, services, donations, favours etc.;
- **Corruption** means the abuse of entrusted power or position for private gain;
- **Corruptly** means that the gratification is intended to induce the recipient to misuse his official position, for example (1) to wrongfully direct business to the giver or his associates; (2) to obtain preferential legislation or regulations; or (3) to induce a foreign official to fail to perform an official function; and
- **Gratification** is defined to include the following, which accords with Section 3 of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"):
  - (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
  - (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
  - (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
  - (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
  - (e) any forbearance to demand any money or money's worth or valuable thing;
  - (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
  - (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f)

## **(D) CONSEQUENCES OF BRIBERY AND CORRUPTION**

Engagement in any bribery or corrupt practice or activity may result in severe consequences. The Associated Persons, upon conviction by a court of law, may be fined (not less than 5 times the amount or value of the gratification or RM10,000, whichever is higher, per offence, and/or jailed not exceeding 20 years, both on a “per offence” basis. The company concerned in the Group, if convicted, may be subject to a hefty fine, i.e. not less than 10 times the amount or value of the gratification or RM1 million, whichever is higher, on a “per offence” basis, according to Sections 16, 17 and 17A of the MACC Act 2009.

## **(E) WHAT ASSOCIATED PERSONS SHOULD DO**

All Associated Persons are responsible for refraining from and preventing any act of bribery or corruption. They are also responsible for reporting any actual or suspected act of bribery or corruption to enable the Group to identify the risks and conduct relevant investigations as considered necessary in the circumstance.

Report of any actual or suspected incident shall be made to the Senior Independent Director, with the identity of the whistle-blower be kept confidential. If you, as an Associated Person, have any doubt, you should contact the Senior Independent Director at [whistleblower@chinhingroup.com](mailto:whistleblower@chinhingroup.com).

## **(F) COMPLIANCE WITH THE POLICY – SUPERVISORY BODIES**

- a) The Group Compliance Officer shall oversee the adequacy, operating effectiveness, and continuing relevance of this Policy, including compliance of this Policy by Associated Persons;
- b) The Risk Management Committee shall conduct corruption risk assessment at least annually to identify and evaluate specific risks on bribery and corruption inherent in or potentially affecting the Group’s business. The assessment shall take into consideration the probability of the occurrence of bribery and corruption and the impact thereof based on specified risk parameters endorsed by the Board of Directors as well as the associated control measures implemented by Management in preventing the occurrence of acts of bribery and corruption.

Such risks identified shall be reported to the Risk Management Committee, including the mitigating measures to remediate the risks to an acceptable level, taking into consideration the risk tolerance as approved by the Board of Directors. Further details on corruption risk assessment are set out separately in the Group’s Risk Management Policies and Procedures;

- c) The Group Internal Audit (“GIA”) is the independent authority tasked to assess the adequacy and operating effectiveness of the Anti-Bribery and Corruption Policy, including the corruption risk assessment activities and report any failings or weaknesses to the

Audit Committee, including relevant recommendations for Management to mitigate the issues as reported. The GIA may consider sourcing for external subject matter experts to be part of the Internal Audit team to conduct such an assessment if the requisite skills and knowledge required are not available in-house.

- d) The Group Compliance Officer and the Head of GIA shall be involved in evaluating the merits of actual or suspected incidents of bribery or corruption whistle-blown to the Group via the Senior Independent Non-Executive Director or the Audit Committee Chairman. Where any of the persons so mentioned is implicated in the incident, the person concerned shall be excused from further discussion of the matter. For further details on how the investigation or evaluation is to be conducted, refer to the Group's policies and procedures on Whistle-Blowing which are available on the Company's corporate website at <https://www.chinhingroup.com/investors-relations/>.
- e) The Group's Disciplinary Policy and Procedures for employees who breach this Policy shall be referred to for any punitive actions to be taken.

#### **(G) SIGNIFICANT CONTROL MEASURES UNDERTAKEN BY THE GROUP**

The following are the significant control measures implemented by the Group to prevent bribery and corruption and these measures are aligned with the Guidelines on Adequate Procedures issued by the Government, taking into consideration the reasonableness and proportionality of such measures vis-à-vis the Group's corruption risk exposure:

##### **a) Conduct of Due Diligence**

- i. To ensure Associated Persons share its stance against bribery and corruption, the Group shall undertake a due diligence process to assess the integrity of Associated Persons, in relation to background checks, verification of documents submitted or conduct of face-to-face interviews, as deemed appropriate, before entering into any formal relationship with them. The frequency of, and criteria for, including a standard checklist of questions on, due diligence to be conducted on Associated Persons are set out in the Group's Policy and Procedures on Due Diligence;
- ii. Where the Associated Person is a body corporate, the due diligence shall be conducted on the Directors and Senior Management of the body corporate as well; and
- iii. The departments responsible to conduct the relevant due diligence are as follows:
  - For onboarding of Board Members - Company Secretariat;
  - For recruitment of Employees – Group Human Resource Department;
  - For empanelling of service providers, agents, contractors, business partners and intermediaries - the respective functional departments.

**b) Reporting Channel**

- i. Employees of the Group as well as the public are encouraged to report concerns pertaining to actual or suspected corruption or bribery incidents or any weaknesses and inadequacies in the Group's Policy or its associated compliance programme at the earliest opportunity, and in an appropriate way;
- ii. The Group's Whistleblowing Policy set out the relevant details on how such concerns may be reported to the Senior Independent Director or the Audit Committee Chairman anonymously; and
- iii. Where relevant, the Group shall report details of the corruption or bribery incidents to the relevant authorities, for example the Malaysian Anti-Corruption Commission or the Royal Malaysian Police.

**c) Conflict of Interest**

- i. A conflict of interest is a situation in which a person or organisation is involved in multiple interests, financial or otherwise, and serving one interest would likely conflict with another;
- ii. The Group aims to ensure that a conflict of interest does not affect the interest of the Group, its shareholders, clients and other stakeholders through the proper identification, prevention and management of the conflict of interest;
- iii. Heads of Department shall:
  - actively seek to identify and mitigate conflict of interests in their respective departments;
  - determine the best course of action to resolve, manage or avoid the conflict of interest; and
  - document relevant process and procedures accordingly; and
- iv. An Associated Person shall declare any personal direct or indirect interest in any Group's decision or matter the Associated Person is involved in.

**d) Gifts, Entertainment, Hospitality and Travel**

The receipt and giving of gifts, entertainment, hospitality and travel are governed by the Group's Code of Ethics and Conduct, Gifts, Entertainment, Hospitality and Travel Policies and Procedures where thresholds and limits on amounts and frequencies are prescribed. For amounts exceeding the various thresholds, pre-approval is required from designated Management personnel before incurring any expense on giving of gifts, entertainment, hospitality and travel.

**e) Donation and Sponsorship**

Donations and sponsorships shall be governed by the Group's Policy on Donation and Policy on Expenditures Approval Request.

**f) Facilitation Payments**

The Group shall not make facilitation payments. Facilitation payment is payment made to secure or expedite the performance of an action or a service that the Group is entitled to, e.g. where a government official is given money or goods to perform (or speed up the performance of) an existing duty. For the avoidance of doubt, fees paid in exchange for a lawful express or preferential service, e.g. quick turnaround visa and passport services or police escort services are not considered as facilitation payments provided that they fulfil the following conditions:

- the service is open and available to everyone;
- the fee is in accordance with an official and published price list;
- the fee is not payable to individuals, but to the organisation or entity; and
- a legal and official receipt by the organisation or entity can be provided.

**g) Financial Controls**

All capital and operating expenditure are governed by the Group's pre-approval limits in accordance with capital and operating expenditure approval request policies and procedures whilst all payments and staff claims are governed by payment authority limits in accordance with payments and staff claims policy.

**h) Procurement**

Procurement activities are governed by the Group's Policy and Procedures on Procurement and Policy and Procedures on Tender.

**i) Record Keeping**

The Group has established policies and procedures with regard to record keeping for managing documentation related to the controls undertaken to prevent corruption or bribery and these are strictly followed.

**(H) AWARENESS AND TRAINING**

- a) The Group conducts awareness programmes for all Employees to refresh their awareness of anti-bribery and anti-corruption measures, and to continuously promulgate integrity and ethics;

- b) In addition, the Group provides anti-bribery and anti-corruption training to:
- new recruits;
  - employees promoted or transferred; and
  - those in role-specific functions, for examples sales, procurement, those who deal with government or licensing authorities, human resource, risk management, internal audit and compliance;
- c) The Group Compliance Officer may at any time recommend that certain training be repeated by any Employee in any operating unit within the Group, if deemed necessary, for example, if the employee concerned fails the assessment test after the relevant training or any other circumstance;
- d) The Group Human Resource shall maintain all records of training in collaboration with the Group Compliance Officer.

## **(I) REPORTING OF POLICY VIOLATIONS**

Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each employee has a responsibility to ensure that suspected bribery and corruption incidents are reported promptly. The Group adopts an open-door policy and encourages all employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner. Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

### **a) Non-Compliance**

- i. Group Internal Audit shall conduct regular validation to ensure compliance to this Policy. Such validation exercises may be conducted either independently by Group Internal Audit or conducted by external consultants;
- ii. Non-compliance identified by the validation or identified through other risk assessments undertaken shall be reported to the Audit Committee.

### **b) Continuous Improvement**

- i. The Group is committed to continually improve its policies and procedures relating to anti-bribery and anti-corruption;
- ii. Group Internal Audit may therefore develop further integrity measures and certify the Group's anti-bribery procedures as adequate where certification is available.

### **c) Sanctions for Non-Compliance**

- i. The Group regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment and as for Associated Persons who are not employees or Directors, may result in the

termination of contract or agreement, including the Group's right of recourse provided in the contract or agreement.

Further legal action may also be taken in the event that Group's interests have been adversely affected, jeopardised or compromised as a result of non-compliance;

- ii. The Group shall notify the relevant regulatory authority of any identified bribery or corruption incident as required by law;
- iii. Where notification to the Malaysian Anti-Corruption Commission ("MACC") or the Royal Malaysian Police (Police") has been done, the Group shall provide full co-operation to the MACC or Police, as the case may be, including further action that the MACC or Police may decide to take against the Associated Person concerned.

#### **(J) REVIEW AND REVISION OF POLICY**

This Policy which is approved by the Board of Directors shall be reviewed annually taking into consideration changes to existing law and regulatory requirements and any improvement opportunities noted during the course of the year.

This Policy is endorsed by the Board of Directors on 1<sup>st</sup> June 2020 for application across the Group.

**END.**