





# ANTI-BRIBERY AND CORRUPTION POLICY

LIM SEONG HAI CAPITAL BERHAD

	<b>Title</b>	Anti-Bribery and Corruption Policy		
	<b>Ref No.</b>	LSH-ABC Policy	<b>Version No.</b>	2.0
	<b>Effective Date</b>	15 April 2024	<b>Revision Date</b>	15 April 2024

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## 1.0 INTRODUCTION

Lim Seong Hai Capital Berhad (“LSH” or the “Company”) and its subsidiaries (“LSH Group” or the “Group”) are committed to ethical, transparent and responsible business practices as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”) and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

This Anti-Bribery and Corruption Policy (“Policy”) sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

This Policy is supplemental to, and shall be read in conjunction with the Group’s Code of Conduct and Ethics, Whistleblowing Policy and Procedure, the MACC Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018. In the instance that the same subject matter is discussed on multiple policies and guidelines (within LSH or the law and regulations), the law / more stringent provision prevails.


## 2.0 OBJECTIVE

This Policy sets out the Group’s position on matters pertaining to bribery and corruption that may be encountered by the Directors and Employees of the Group in the course of business for the purpose of providing guidance in dealing with and preventing acts of bribery and corruption. All Directors and Employees of the Group shall be referred to as “Officers” hereon.

The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities to gain advantage or benefit.

## 3.0 DEFINITION

Definition	Description
ABMS	Group’s Anti-Bribery Management System, which specifies anti-bribery policies and procedures implemented to prevent, identify, and deal with any bribery.
Bribery	The act of giving or receiving something of value in exchange for some kind of influence or action in return, that the recipient would otherwise not offer.
Business Associate	External party with whom the organisation has, or plans to establish, some form of business relationship.  Business associate includes but is not limited to clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors, and others performing work or services for or on behalf of the Group.

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Corruption	The act of soliciting, offering, giving, accepting or receiving gratification, directly or indirectly, to/from a person in authority either in the form of money, services or valuable goods as an inducement or reward to or not to do an act in relation to the person's principal affairs – in short, corruption is essentially an abuse of entrusted power or position to obtain a personal gain or benefit.
Facilitation payment	A form of unofficial payment made with the purpose to secure or expedite the performance of a routine or necessary action.
Gratification	Defined in Section 3 of the MACC Act 2009 and includes money, donation, gift, loan, fee, reward, valuable security, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity. The provision or receipt of gratification is not an offence unless it is done corruptly.
Top Level Management	Unless otherwise separately defined in this Policy, definition of words such as top level management and those relating to corruption are as specified in Section 17A MACC Act and Guidelines on Adequate Procedures Appendix.
Third Party/Parties	Person or body that is independent of the organization. All business associates are third parties, but not all third parties are business associates.

#### 4.0 SCOPE


This Policy applies to the following:

- (i) All Officers of the Group working at all levels and grades, and Business Associates associated with the Group (which may include but not limited to clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors, and others performing work or services for or on behalf of the Group) including Third Parties who intends to establish a business relationship with LSH Group.
- (ii) The Group's business dealings with private and public sector entities, including their directors, employees and Intermediaries.

#### 5.0 ANTI-BRIBERY AND CORRUPTION COMMITMENT

The Group is committed to conducting business dealings with integrity, honesty and respect. This means avoiding practices of bribery and corruption of all forms in the Group's daily operations. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption. Officers who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business. However, any breach of this Policy or applicable local laws could result in disciplinary action against the Officer and ultimately could result in dismissal and/or termination of the business dealing.

The Policy reflects the Group's dedication to maintaining the highest level of integrity and ethics in LSH Group. Full compliance to both the spirit and the letter of this Policy is mandatory and should be maintained using a principle-based approach.

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## 6.0 RESPONSIBILITIES OF DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES

All Officers and Business Associates are expected to read, understand and comply with the requirements and procedures set out in this Policy. No waivers or exceptions will be granted for practices that deviates from this Policy.

The Board of Directors and Directors of the respective subsidiaries of the Group is responsible to:

- (i) provide oversight, leadership, and setting tone from the top to fostering a culture of integrity and ethical behaviors through the organisation;
- (ii) setting clear policies and procedures;
- (iii) establishing and monitoring the compliance framework;
- (iv) allocating resources for training and enforcement; and
- (v) holding management accountable for implementing effective measures to prevent bribery and corruption within the organization.

The Board of Directors should endorse this Policy and make clear that it attaches strategic importance to the implementation of this Policy.

Associated and affiliated companies of the Group should be treated as being at least a Business Associate although the degree of influence and control over that company by the Group or any of its companies may impose a higher duty of care in the context of the requirements than with an unrelated Business Associate.


## 7.0 CORRUPTION RISK ASSESSMENT

The Group considers risk assessment to be the fundamental to good management practice and a significant aspect in preserving the integrity of infrastructure to detect and prevent corruption. To ensure that this Policy is effective and embedded at all levels of the organisation, the Group will assess the risk on a regular basis (i.e., at least annually); the Board, through the Audit and Risk Management Committee, will maintain an oversight of this Policy to ensure good management practice, and adequate and effective controls over corruption risks.

The risk assessment is facilitated by the development and implementation of the risk management framework according to the Group's business and the organisational context. The design of this framework reflects the principles and the process outlined in generic guidelines on risk management by International Organization of Standardization ("ISO") — ISO 31000, and Guidelines on Adequate Procedures by the MACC. This section provides an extension (in the context of corruption) to the Group's existing risk management policy as set out in the Group's Enterprise Risk Management Policy.

## 8.0 SPONSORSHIPS AND DONATION

- (i) Donations and sponsorships may be permissible depending on the circumstances and should be made directly to an official entity (bona fide) and be capable of being publicly disclosed.
- (ii) Donations and sponsorships must not be made to influence business decisions or to cover up undue payments or bribery.

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(iii) The provisions relating to donations and sponsorships also apply to charitable support and donations, whether of in kind services, knowledge, time, or direct financial contributions.

## 9.0 POLITICAL CONTRIBUTIONS

The Group will not make political contributions, whether in cash, kind or by any other means, to support any political parties or candidates. LSH Group recognises this may be perceived as an attempt to gain an improper business advantage.

## 10.0 FACILITATION PAYMENTS

The Officers and Business Associates dealing with the Group shall not accept / obtain / attempt to accept / solicit, or offer / promise / give facilitation payments to secure or expedite the performance of their duty.

However, the Group recognises that, in exceptional circumstances, a facilitation payment may be an immediate recourse to protect the safety of the Officer. In such situations, the prior approval of the Group Managing Director / Managing Director is required or, in an emergency, retroactively as soon as possible after the payment.

## 11.0 GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL

This Policy does not prohibit gifts, entertainment, hospitality and travel (“GEHT”), so long as it is reasonable and appropriate to do so in the circumstances that do not influence business decisions which result in adverse impact to the Group’s interests/business and/or non-compliance to applicable laws and regulations. Any such business courtesies offered that are transacted on behalf of the Group must be approved in accordance with the Group’s Limits of Authority.

The following are to be judged when offering, giving or accepting the GEHT. It must be:


- reasonable in value;
- transparent;
- infrequent in nature;
- not given to influence or obtain an unfair advantage; and
- respectful and customary

Nonetheless, the GEHT offering, giving or accepting are only allowed within limited exception under reasonable conditions as defined in the Group’s Guideline on Gifts, Entertainment, Hospitality and Travel; the Officers and Third Parties shall act with due care to ascertain any GEHT-related practice neither violates the giver’s and/or receiver’s policies, nor violates any applicable laws and regulations.

It is also our Policy that our Officers do not solicit GEHT of any value from persons/firms in our business dealings, where he/she may feel obligated to give GEHT/favours in return to do/continue business with the Group.

## 12.0 MONEY LAUNDERING

The Group strongly objects to practice money laundering, including dealing in the proceeds of criminal activities.

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To avoid violating anti-money laundering laws, the Officers are expected to exercises their activities with reasonable due care; with due diligence on prospective business associates to understand their business and background.

### 13.0 CONFLICT OF INTEREST

A conflict of Interest may arise in a situation where an individual is in a position to take advantage of his/her role in LSH for his/ her personal benefit, including the benefit of his/her family and/or friends and/or company. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by LSH from its Officers in the performance of their duties and obligations.

All Officers should avoid situations in which personal interest could conflict with their professional obligations or duties. Officers must not use their position, official working hours, company's resources and assets, or information available to them for personal gain or to the company's disadvantage.

Should any Officer encounter a conflict-of-interest situation, they are required to disclose the said situation.

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#### 14.0 DUE DILIGENCE

Officers and Third Parties are to be made aware of this Policy and are expected to comply with it, and contractually agree to refrain from bribery and corruption. The Group may conduct due diligence on their Officers and Third Parties, the intervals / level / methodology of due diligence will vary depending on the circumstances.

The Group's due diligence procedures may include documentation about screening of the Officers and/or Third Parties; interviews to understand their background and to ensure that legal conducts are adhered in any engagement, etc.

The Group has zero tolerance of Business Associate and Third Parties who do not conduct themselves in accordance to the principles in this Policy where it brings disrepute or legal implications to the Group. Any non-compliance with the principles of this Policy by the Business Associate or Third Parties may lead to the review and/or termination of any agreement with such parties.

#### 15.0 FINANCIAL AND NON-FINANCIAL CONTROLS

The Group adopts segregation of duties for relevant job functions (i.e., financial and non-financial related). Designated personnel for preparing, verifying, or approving each transaction/activity is documented in written procedures (i.e., Limits of Authority, and other operating procedures) and communicated to Officers of the Group for adherence.

#### 16.0 COMMUNICATION AND TRAINING

The Group will on a continuing basis provide specific and regular training in relation to anti-corruption and bribery laws and compliance with this Policy, for all new and existing Officers.

This Policy (along with any other relevant policies) are published on the Company's website and awareness is reinforced through emails / newsletters / the Employee's Handbook / other communication channels to our Officers and Third Parties.

All Officers are required to acknowledge that they have read and understood and will abide by the Policy.

#### 17.0 CONFIDENTIALITY AND PROTECTION


Any individual who knows of, or suspects, a violation of this Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the Group's Whistleblowing Policy and Procedure.

No individual will be discriminated against or suffer any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations of this Policy. All reports will be treated confidentially.

#### 18.0 MONITORING AND REVIEW

The Officers and Business Associates are responsible for the success of this Policy and should ensure



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adherence to this Policy and use it to disclose any suspected danger or wrongdoing.

Internal control systems and procedures of the Group will be subject to regular compliance reviews (at least yearly) / independent audits (at least once in 3 years) to provide assurance that they are effective assess the compliance and effectiveness in countering corruption and bribery, and the results will be reported to the Senior Management.

## 19.0 ANTI-BRIBERY COMPLIANCE FUNCTION

The Group establishes and maintains the anti-bribery and corruption compliance function under designated personnel/department for all anti-bribery and corruption compliance matters, including:

- (i) overseeing the design and implementation of ABMS;
- (ii) providing advice and guidance to Officers and Third Parties on implementation of ABMS and issues relating to bribery and corruption; and
- (iii) monitoring and reporting the performance of ABMS to top management on an annual basis.

The Group shall adequately resource a personnel/a team to perform anti-bribery and corruption compliance function, in which the personnel/team shall be adequately ensured of appropriate competence, status, authority and independence.


When in doubt: Officers / Third Parties shall consult with the following people for advice when they are unsure about their obligations under this policy:

Norfazlin Sulaiman

Compliance Officer

03-4021 8899

[Email Address]

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## 20.0 RECORDS-KEEPING

It is important that proper and complete records be maintained of all payments made to third parties in the usual course of business as these would serve as evidence that such payments were bona fide, and not linked to corrupt and/or unethical conduct. All records (e.g., accounts, invoices, documents) relating to dealings within the Group and the Business Associates and Third Parties are maintained and recorded with accuracy and completeness. All records shall be retained for at least seven (7) years from its date of generation, to enable the Group to comply with request from the authorities.

All expenses claims relating to GEHT made to third parties must be submitted in accordance with the Group's reimbursement procedures and/or applicable policy and specifically recorded the reasons for such expenditure.

All documents, accounts and records relating to dealings with Business Associates, Third Parties, such as customers, suppliers, intermediaries, agents and business contracts, should be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

The Group will also maintain records the relevant declaration submitted by the Officers, Business Associates and Third Parties to ensure that all persons subject to this Policy comply with the requirements.

## 21.0 COMPLIANCE TO THE LAW

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. The Officers are expected to understand and comply with the MACC Act 2009 (including any amendments thereof). The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

## 22.0 REVIEW OF THE POLICY

This Policy will be reviewed at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements, or more frequently should there be material changes to the said legislation and regulations or as and when necessary.

This Policy was reviewed and approved by the Board of Directors of the Company on 15 April 2024.



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<b>Revision Date</b>	<b>Approval Date</b>	<b>Version</b>	<b>Author/Person Who approved New / Revised Version</b>	<b>Description/Reason for Change</b>
15 April 2024	15 April 2024	V1.0 V2.0		Enhancement of ABAC policy