



OVERVIEW

Sik Cheong Berhad and its subsidiaries (“SCB”) are committed to running our business operations on a foundation of integrity, transparency and honesty. SCB adopts a zero- tolerance policy towards any forms of corruption and bribery in our businesses. SCB and employees have to observe the anti-bribery and anti-corruption legislations and regulations in the countries where we have business activities and undertake ourselves to not engage in any corrupt or improper practices.

SCB will devise and improve our processes continuously to prevent direct or indirect bribery, in order to safeguard, uphold our values and be in full compliance of this Anti-Bribery and Corruption Policy.

SECTION 1

1.0 Purpose

1.1 This ABC Policy is intended to:

- (a) provide information and guidance the obligations of SCB and all parties working for/with/on behalf of SCB (“Parties”) in observing and upholding our anti-bribery and corruption commitment which is an integral part of our business ethics and Group Standards of Conduct;
- (b) set out guidance to all Parties in detecting potential corruption activities and to curb corruption practices; and
- (c) to promote better corporate governance culture and ethical behaviour amongst SCB Directors and employees.

1.2 This ABC Policy may not provide definite answers to cover all situations. As such, we encourage you to reach out to us immediately when in doubt by contacting the HR Manager or your Head of Department.



2.0 Definition

2.1 Corruption is a malpractice (wrongdoing) on the part of an authoritative party through illicit, dishonest and unethical means to obtain benefits or personal gains. Corruption activities include soliciting, offering, and receiving gratification in the form of cash, goods, services, personal favour directly or indirectly to influence decision and/or obtain an intended/ desirable outcome.

2.2 Bribery is an act of offering, promising, giving, accepting, or soliciting any gratification as an inducement or a reward for the authoritative party to show favour or disfavour or to perform or to abstain from performing or to aid in procuring, expediting, delaying, hindering or preventing the performance of any official duties. Bribery is essentially a form of corruption.

2.3 Gratification is defined in the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 and summarized as money, donation, gift, loan, fee, reward, valuable security, property or interest in property whether movable or immovable, finance benefit, employment, agreement to provide employment, release, discharge of obligation or liability, forbearance to do and, service or favour of any description like protection or forbearance to charge, any forms undertaking, promise, rebate, discount, or any other similar advantage which are done/given/received corruptly.

3.0 Applicability

3.1 This ABC Policy is applicable to:

- (a) All SCB’s Directors and employees (including but not limited to part-time, full-time, contractual, permanent or probationers, interns, trainees, trainers); and
- (b) All SCB’s Business Partners (anyone with whom SCB has or intends to have a business relationship or in any way associated with SCB including but not limited to vendors, suppliers, contractors, sub-contractors, agents, customers, etc.)



SECTION 2

THIS ABC POLICY covers the following areas:

- A. Donations and Sponsorship;
- B. Gifts;
- C. Hospitality;
- D. Political Contributions; and
- E. Facilitation Payment;

4.0 Donations and Sponsorships

4.1 Definition:

- (a) Donation: shall refer to charitable contribution/humanitarian aid whether in the form of cash/cash equivalent/goods made out of care and concern for social causes.
- (b) Sponsorship: shall refer to the contribution of any kind in the form of services, monies, goods to support an event or organisation made to promote/enhance/strengthen business relationships.

4.2 SCB adopts the measures and standards stated in Clause 4.2 and Clause 4.3 to ensure all donations and sponsorships made are in compliance with the laws of Malaysia.

4.3 Acceptance of sponsorships is only permissible for SCB corporate events. However, sponsorships must be refused if acceptance could give rise to appearance/inference of corruption or association with illegal activities. All acceptance of sponsorships must be reported to Management and must be recorded accordingly.

5.0 Gifts

5.1 SCB strives to achieve the highest standard of integrity in the conduct of our business. As such, our Directors and employees (including their family members) are prohibited from directly or indirectly offering, accepting or soliciting gifts whether in the form of monetary form (cash or cash equivalent) or the form of discount, rebate, or any other related matters



to avoid bribery/conflict of interest as well as the appearance of the same in all existing and potential business dealings which may be in violation of the MACC Act 2009 and has detrimental effect on our corporate image.

5.2 We impose responsibility on our Directors and employees to achieve common understanding with our Business Partners and to ensure adherence in this regard.

5.2.1 Receiving Gifts

5.2.1.1 SCB acknowledges that gift-giving is a common business etiquette which denotes friendliness and respect. Therefore, it is no surprise that third parties may still persist in giving gifts (whether to individual Directors or employees) and rejection of the same will be construed as insensitive or culturally deemed offensive.

5.2.1.2 When such a situation arises, the individual Directors or employees are allowed to accept the gifts. However, all gifts received **MUST** be surrendered and declared to the management **IMMEDIATELY** where the management is expected to deal with the gifts in accordance with SCB's internal guidelines.

5.2.1.3 In principle, all gifts shall be rejected and if received, must be returned especially in the following circumstances: -

- (a) gifts received during sensitive periods such as tender or bidding exercise and related situations;
- (b) gifts are given with the intention of causing undue influence to decision makers or appearance of the same;
- (c) gifts are given with the expectation of gaining a return personal/corporate favour from the recipient;
- (d) gifts are provided secretly or provided through third parties such as family members/friends of Directors or employees; and/or
- (e) acceptance of gifts under the circumstances is prohibited under any laws in Malaysia.



5.2.2 Providing Gifts

5.2.2.1 SCB does not allow our Directors and employees (including their family members) to offer gifts to our Business Partners whether it is on behalf of SCB or in their own personal capacities.

5.3 For the avoidance of all doubts, kindly take note of the following: -

- (a) any premium/novelty items which carry the company name, company logo, or other relevant details printed on it which are given out equally to members of the public or any third parties and serve as advertising or promotional purposes shall not constitute a “gift”.
- (b) the practice of providing and receiving gifts differs among countries, regions, cultures, and religions. As such, the degree of acceptability varies on a case-to-case basis and shall be subject to internal approvals.

6.0 Hospitality

6.1 SCB recognises the act of providing hospitality to our stakeholders is an acceptable social practice to promote and maintain cordial business relationships.

6.2 Hospitality is only regarded as improper/illegitimate if any of the following occurs:-

- (a) to cause undue influence on decision makers; and/or
- (b) done with the expectation of gaining a return personal/corporate favour from the recipient of hospitality; and/or
- (c) the recognition of the fact that the act of offering and accepting would be improper under the circumstances such as the hospitality is also provided to family members of the Director or employee, or includes a vacation package etc.; and/or
- (d) it is provided secretly; and/or
- (e) it is prohibited under any laws in Malaysia; and/or
- (f) the hospitality is considered lavish under reasonable social norm standards.



6.3 Examples of hospitality permissible by SCB:-

- (a) casual lunch meetings;
- (b) accommodation/transportation for corporate meetings;
- (c) corporate activities such as annual/company dinner, customer appreciation dinner, product launching events.

6.4 SCB prohibits all Directors and employees (including their family members) from offering, accepting and soliciting hospitality inappropriately and/or excessively from any third parties (including our Business Partners) which potentially cause undue influence in their decision making process, especially during sensitive periods.

6.5 All hospitality received and offered must be declared by our Directors and employees and to be documented in accordance to SCB internal guidelines.

6.6 Prior to offering hospitality, approval must be obtained internally (which necessitates the performance of risk assessment, value threshold, frequency, and obtaining approval mandate set out in SCB internal guidelines).

7.0 Political Contributions

7.1 SCB will not make any contribution whether in the form of cash/cash equivalent, services, and/or goods to any political parties for campaigns and routine activities unless such contribution or donation is in line with the Group’s corporate social responsibilities.

7.2 In any event that any gift/sponsorship/donation is made to any political parties (who are our Customers) pursuant to Section 2, Clause 4, Clause 5, and Clause 6, it shall not be construed/implied as an indication of SCB’s support to that political party’s ideology and/or an attempt to obtain any business/personal benefits.

8.0 Facilitation Payment

8.1 SCB implements a strict “No Facilitation Payment” policy. A facilitation payment is a payment made to authoritative personnel as an incentive/encouragement to complete some process or work speedily and efficiently.



8.2 Facilitation payment is only permissible in extreme circumstances where SCB's employees' safety is at stake and such payment is mandatory to ensure the safety of our employees. Upon occurrence of such incident, declaration of facilitation payment made must be declared to the Top Management and to be recorded in accordance with SCB internal guidelines.

SECTION 3

9.0 Recruitment and Employees

9.1 SCB, provides equal opportunity for any qualified and competent individual to be employed by the SCB of companies from multicultural and multiracial background, sourced from externally, locally, and internationally. The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

9.2 In line with this, more detailed background checks such as criminal, bankruptcy, financial (credit rating), and reference checks will be conducted when hiring employees for management positions, as they would be tasked with decision making obligations.

Periodically, all employees shall be asked to make a self-declaration to the Human Resource Department on matters pertaining to conflict of interest, compliance, and corruption.

10.0 Appointment of Board Members / Directors

10.1 Directors who are not employees of SCB are required to make a self-declaration on matters pertaining to conflict of interest, compliance, and corruption to the Board Chairman when they are first appointed and subsequently, on an annual basis.

11.0 Employees' and Directors' Declaration

11.1 All SCB Directors and employees (existing/new recruits) shall complete an assessment of ABC Policy. It is mandatory for all SCB Directors and employees to periodically declare strict compliance with this ABC Policy in the course of their employment/service.



12.0 Monitoring

12.1 SCB shall conduct periodic audit/review to ensure compliance with this ABC Policy.

12.2 Non-compliance with this ABC Policy is equated to violation of the MACC Act 2009. SCB adopts a stringent approach towards any misconduct in view of the seriousness of this matter.

Any misconduct shall have the following consequences (whichever is applicable):-

- i. Employees: immediate suspension pending investigation, if found guilty, outright dismissal.
- ii. Directors: immediate suspension pending investigation at Group level, if found guilty, termination of Directorship.
- iii. Business Partners: immediate suspension of all obligations under the contract. If found true, termination of contract.

13.0 Whistleblowing Policy

13.1 SCB is committed to the values of accountability, transparency, and impartiality in the conduct of our business and affairs. SCB subscribes to open door policy for anyone to share concerns through appropriate means. In line with this, SCB implements this "Whistleblowing Policy" to encourage any parties to report any misconduct through this platform.

13.2 SCB has adopted the highest professional standard of confidentiality and protection measures to ensure strict confidence of a whistleblower's information and immunity against any forms of intimidation/harassment and/or detrimental actions taken against the whistleblower.

13.3 The information of alleged wrong doing can be classified in many ways: violation of SCB policy/rules, regulation or threat to public interest/national security, as well as fraud and corruption.

13.4 All reports/complaints made in good faith shall be dealt with in a prompt manner, unescorted by fear of reprisal regardless of the outcome of the investigation.



We encourage all whistleblowers to provide information/suspicion of misconduct by submitting a report to the Chairman of the Audit and Risk Management Committee. Please refer to the Whistleblowing Policy which is available on SCB's website for more information.

14.0 Record Keeping

14.1 All financial records and proper documentation trail of SCB with Third Parties will be properly kept and we will have appropriate control measures in place to evidence, substantiate, and justify for the business reason of any making of payments to, and receiving of payments from Third Parties.

14.2 All expenses and claims relating to any gifts or entertainment made to Third Parties will be subjected to rigorous screening process in accordance with SCB's internal reimbursement procedures in order to minimise the risk of financial outflow in contravention of anti-corruption or anti-bribery laws.

14.3 All documents, accounts and records relating to Business Transactions with Third Parties will be prepared and maintained with strict accuracy and completeness. No documents(as aforementioned) are to be kept “off-book” to facilitate or conceal any improper payments.

15.0 Continuous Review of ABC Policy

15.1 SCB is mindful of the importance to combat corruption and is resolute to continually enhancing this ABC Policy to ensure its efficacy and effectiveness is maintained.

SCB will monitor compliance with the Policy and review the Policy regularly to ensure that it continues to remain relevant and appropriate.

APPENDIX

STAFF DECLARATION FORM – ACKNOWLEDGMENT OF ANTI-BRIBERY AND CORRUPTION POLICY

I, _____, hereby declare that I have read and understood SCB's Ant-Bribery and Corruption Policy ("Policy") and the responsibilities required of me in relation to the said Policy.

I will abide by the requirements and provisions set out in the said Policy which shall be read together and forms part of my employment contract with SCB.

I agree with SCB's zero-tolerance approach to bribery and corruption and the possible actions of:

- a) Dismissal
- b) Legal action by SCB
- c) SCB filing a police report
- d) SCB filing a report to MACC

that may be taken against me for the breach of this policy.

I also understand that to have assisted or facilitated the violation of this Policy, whether actively or by way of negligence or omission, will also be deemed to have violated the Policy and may be liable for the actions stated above.

Name :

NRIC :

Designation :

Date:

**FOR NOTIFICATION: CORRUPTION AND GIFT DECLARATION STAFF DECLARATION FORM –
CORRUPTION AND GIFT**

This declaration shall be disseminated by the Corporate Governance Department twice a year (January and July) via an on-line platform. Compilation and analysis shall be reported to the Audit & Risk Management Committee).

I, _____, hereby declare that between

- 1 January to 30 June _____ (year)
 - 1 July to 31 December _____ (year)
- a) I have read and understood SCB's Anti-Bribery and Corruption Policy ("Policy") and Employee Handbook
 - b) I am in compliance with the requirements and obligations described in SCB's Policy and Employee Handbook
 - c) I have not been involved with any corrupted practices as prescribed in SCB's Policy and Employee Handbook.
 - d) I have not witnessed, withheld or failed to report any information on corrupted practices as prescribed in SCB's Policy and Employee Handbook.
 - e) I have not received any form of gift or hospitality that contravenes to SCB's anti-bribery and corruption stance in relation to my work.
 - f) My immediate family members have not received any form of gift or hospitality that contravenes to SCB's anti-bribery and corruption stance in relation to my work.
 - g) I have declared any gift or hospitality received to the Management in relation to my work.
 - h) I understand SCB's zero-tolerance approach to bribery and corruption and the possible actions of:
 - 1. Dismissal
 - 2. Legal action by SCB
 - 3. SCB filing a police report
 - 4. SCB filing a report to MACC

that may be taken against me for wrongful declaration and/or breach of the abovementioned policies.

Name:

NRIC:

Designation:

Date: