

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

PREAMBLE

Policy Statement

KIM TECK CHEONG CONSOLIDATED BERHAD (“KTC”) is cognisant of the importance of continuously maintaining good governance and is dedicated to conduct its business in accordance with the highest standards of integrity, responsibility and accountability. Pursuant to these ethical standards, KTC has adopted a stand of zero tolerance towards all forms of corruption, especially in respect of bribery, malpractice and misconduct and used best endeavour to ensure business dealing is conducted in a fair, transparent and ethical manner.

Introduction

KTC’s general principles and standards on anti-corruption as well as maintenance of business documentation and financial records are outlined in this Policy. This policy promulgates and reinforces KTC’s zero tolerance towards all forms of corruption and KTC’s commitment to maintaining accurate records of business dealings.

This Policy is guided by with Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”) and advocates similar principles and standards in KTC’s business management and approach.

In recognition of these aspirations, the Board of Directors (“BOD”) and Management have engaged an anti-corruption program which is in accordance with the Guidelines on Adequate Procedures as promoted by the Prime Minister’s Department of Malaysia pursuant to subsection (5) of Section 17A of MACC Act 2009, as provided in section 4 of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Amendment Act 2018”). The provision of Section 17A under MACC Act 2009 establishes the principle of criminal liability (corporate liability) for corrupt practices of employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation’s benefit or advantage.

i. Objectives of the Policy

The prime objectives of this Policy are to assist KTC in the prevention of corrupt practices in business activities, particularly in deterring corruption, bribery and malpractices or illegal activities that may arise in daily operations.

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

ii. Coverage of the Policy

This Policy shall apply to all companies within KTC's Group. This includes all individuals working at all levels and grades, including general managers, managers, officers, directors, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, seconded staffs, volunteers interns, agents, sponsors, clients, suppliers, any third party and any other person associated with KTC Group.

iii. Compliance with Laws and Regulations

KTC upholds all laws relevant to countering bribery and corruption. KTC remains bound by the laws of the Malaysia, including MACC Act 2009, in respect of our conduct both at home and abroad. In the unlikely event of any conflict or inconsistency between the provisions of this policy and the laws and regulations of Malaysia, the latter shall prevail.

Individuals are required to report any suspicion of breaches of the Policy in accordance with KTC's Whistleblowing Policy & Procedures. KTC shall make a report to the relevant enforcement authority upon actual conviction of the staff i.e. breach of regulation or statutory law following investigation and final decision made by the Audit Committee. All whistle-blowers are assured of protection in respect of their identity in accordance with the Whistle-blower Protection Act 2010 that has been in force. No individual will be discriminated against or suffer from any sort or manner of retaliation for raising genuine concerns or reporting in good faith on violations or suspected violations.

iv. Infringement of the Policy

Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action and reprisal against the offender. Offender participating in bribery and corruption can be subject to penalties of MACC Act 2009.

v. Responsibility of the Policy

We embrace the role to ensure that all parties retained by us understand that they are responsible for complying with this Policy when dealing with KTC Group, or when acting on behalf of KTC Group. Therefore, every party is responsible for adhering to these standards in our business interactions.

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

This policy shall serve as a guidance to Management and all employees on addressing issues relating corruption, improper solicitation, bribery and other corrupt practices and activities which may arise in the ordinary course of business. It is the responsibility of every party associated with KTC Group to strictly adhere to KTC Group's policies and standards. In the event where there is any uncertainty for any practices which relate to this Policy, employees must always seek the advice of their immediate supervisor or head of department. If the uncertainty persists, their concerns shall be directed to Human Resource Department or Executive Director for clarification.

vi. Forms of Corruption

Corruption and bribery can take many forms including but not limited to the following:

- Facilitation payment
- Kickbacks
- Gifts
- Corporate Hospitality
- Entertainment
- Political Donation
- Charitable Contribution
- Any Other Form of Unorthodox Payment

Outlined below are the general policies of KTC Group that address the various areas of anti-corruption applicable to all directors, employees and stakeholders of KTC Group.

vii. Facilitation Payment

Facilitation Payment (also known as grease payment) are payments made for certain services or to accelerate certain processes that is otherwise legally entitled by the person without making any payments. These are bribes, regardless of whether they may be a part of the "way of doing business" in a particular country and are not permitted or condoned by the Group.

KTC Group strictly prohibits the act of offer, promise, request, accept or receive any monetary value which might reasonably be regarded as a facilitation payment during the ordinary course of business. Personnel should decline to make payment and report such request to respective HOD or ED immediately when they encounter such situation.

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

viii. Kickbacks

All employees and directors of KTC Group shall abstain themselves from engaging in kickbacks. A kickback is any payment, not reflected on the face of a business contract, that is required to be made to a government agency, a government official, or a private individual in order to conclude the business agreement.

Where the kickback is being extorted and/or any employee of KTC Group is being coerced to pay and their safety or liberty is under serious threat and they have no alternative but to make the kickback in order to protect their life, limb or liberty, the affected employee must immediately report the matter to the HOD or the ED. In the case of unavailability, please report to the AC Chairman as soon as possible.

ix. Gifts

KTC Group practises a “No Gift” Policy, which means that gifts can only be given or received under very limited exceptions. All employees of KTC Group is required to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in an on-going or potential business dealing as a gift can be seen as a form of bribery that may tarnish KTC Group’s reputation or be in violation of any applicable corruption laws.

Employees are responsible to inform the parties involved in any business dealing with KTC Group that KTC Group practices a strict “No Gift Policy” and to seek the relevant parties’ understanding for and adherence to this Policy.

However, KTC Group recognises that the exchange of gifts may be a central part of business etiquette in certain cultures which is a legitimate way of building business relationships in common business environment. Although generally the Group practices a “No Gift” Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted.

x. Corporate Hospitality

Corporate hospitality is generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”. Third parties may include customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historical exists.

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. All employees of KTC Group shall be mindful of the fine line between what is considered to be legitimate or illegitimate forms of corporate hospitality. Legitimate corporate hospitality shall not consist of any intention to influence or be perceived to influence the outcome of a business decision.

xi. Entertainment

Provision of modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

Employees are strictly prohibited from providing or offer to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of corruption and contrary to the general values and principles of KTC Group.

The occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships. However, it is important for employees to exercise proper care and judgment before accepting entertainment offered or provided by a third party. This is not only to safeguard the Company's reputation, but also to protect employees from allegations of impropriety or undue influence.

xii. Political Donation

KTC Group is not a political organisation, therefore it does not support political parties or contribute funds to groups whose activities are calculated to promote party interests or the election of a specific candidate. Good faith payments to a government entity such as payments to government agencies required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.

KTC Group encourages employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Group for a personal political contribution.

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

xiii. Charitable Contribution

Charitable contribution may only be given to recognised non-profit charitable organisations.

All donation must be transparent and properly recorded in our books and records. Receipt or a letter of acknowledgement from the charitable organisation must be obtained to ensure that the donation receive the proper tax treatment.

Donation must not be made to individuals or in cash or be made at the request of a public official as an inducement to or reward for acting improperly.

In accordance with KTC Group's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- Ensure such contributions are allowed by applicable laws;
- Obtain all the necessary internal and external authorisations;
- Made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- Accurately stated in the company's accounting books and records; and
- Not to be used as a mean to cover or as conduit for undue payment or bribery.

xiv. Dealing with Third Parties

For every engagement involving third parties which includes but not limited to existing and potential customers, vendors, agents, and all other representative including government and public officials, it must be carried out in compliance with all relevant laws and consistent with this Policy. The Company expects that all third parties acting for and on behalf of the Company adhere to this Policy and are strictly prohibited from engaging in bribery or other corrupt activities as their conducts and actions may implicate the Company's reputation. For any doubt arising, third parties shall consult the appointed representative of the Company for instruction.

In view of the possibility that KTC may be held responsible for illegal activities of its co-ventures, joint ventures in which KTC has a controlling interest, such ventures shall be bound by this policy. Where KTC neither controls nor operates the joint venture ("JV") or where KTC holds a minority interest, it is necessary to:

- make reasonable efforts to influence the JV Partner to adopt this policy (or substantially equivalent standards and principles) and to comply with all applicable anti-corruption laws and to establish controls substantially similar to KTC standards to prevent corruption; and

KIM TECK CHEONG CONSOLIDATED BERHAD

ANTI-CORRUPTION POLICIES AND PROCEDURES (WEBSITE VERSION)

- be alert to warning signs which may arise in the conduct of business. Any such warning signs must be reported to Executive Director for appropriate action to be taken.

xiv. Conflicts of Interest

Conflicts of interest arise where there is personal interest that can be considered to have potential interference with objectivity in performing duties or exercising judgement for or on behalf of KTC Group. All employees must avoid situations in which their personal interest would conflict with their duties and responsibilities. All employees must not use their position, official working hours, KTC Group's resources and assets, or information available to them for personal gain or to KTC Group's disadvantage.

xv. Regular Monitoring and Review

Regular audits shall be conducted to monitor, review, improve and assess performance, efficiency and effectiveness of ongoing anti-corruption efforts by KTC Group. Such audits may be conducted internally or by an external party. The results of any audit, risk assessment, review of controls and performance should be reported to the Audit Committee on a periodic basis for further action.

xvi. Training

Training shall be provided on a periodic basis, in accordance with the level of bribery and corruption risk related to the position and function. Awareness programmes shall be conducted for all employees in KTC Group and practices regarding anti-corruption, integrity and ethics shall be communicated accordingly.

xvii. Record Keeping

KTC shall keep detailed and accurate financial and other records, and shall have appropriate as evidence of all payments made. KTC shall report and keep a written record of the amount and reason for gifts, hospitality and entertainment received and given, including donations, sponsorships and expenses of similar nature. Such records shall be subject to management's review from time to time.

- END OF POLICY -