



SOUTH MALAYSIA INDUSTRIES BERHAD
[COMPANY NO. 196901000152 (8482-D)]

AND

ITS GROUP OF COMPANIES

ANTI-BRIBERY AND CORRUPTION POLICY
(ABC Policy)

Anti-Bribery and Corruption Policy		
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1. INTRODUCTION

SMIB Group means South Malaysia Industries Berhad and its subsidiaries (collectively referred to as the “Company” or “SMIB”) have adopted a **ZERO TOLERANCE policy against all forms of bribery and corruption**. The Company is committed to conducting its business professionally, ethically and with the highest standards of integrity and honesty. The Company strives to uphold these values in relationships with stakeholders, customers, employees, vendors and external communities.

The purpose of this Anti-Bribery Corruption Policy (“ABC Policy” or the “Policy”) is to guide the Employees of the Company and/or any person(s) associated with the Company (hereinafter referred to as “Associates” – as defined in Section 3) concerning how to deal with bribery and corruption-related issues that may arise in the course of business. It reiterates the Company’s commitment to full compliance by its Employees and Associates with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and the MACC (Amendment) Act 2018 and any other local anti-bribery or anti-corruption laws that may be applicable. This Policy complements and should be read in conjunction with the Company’s Code of Conduct and Ethics for Employees, Code of Business Conduct for Associates, and Whistle-blower Policy, copies of which can be obtained from the Company’s website www.smib.com.my.

2. SCOPE

This Policy applies to the Company’s Employees and Associates and it reflects the standards to which the Company expects its Employees and Associates to adhere when acting on the Company’s behalf. Where appropriate, the Company’s Associates, partners, agents, vendors, suppliers, contractors, consultants and other third-party service providers shall sign a separate declaration statement to undertake to comply with this Policy.

This Policy is intended to supplement all applicable laws, rules, and other internal policies and is not intended to replace any local or international laws.

3. DEFINITIONS

Associates	Business associates, vendors, suppliers, service providers, contractors, sub-contractors, consultants, agents, joint-venture partners, introducers/government intermediaries, representatives and any other persons or entities who provide work, goods or services or act for or on behalf of the Company, including but not limited to their employees, affiliates or any other third parties or sub-contractors who have been engaged by the Associates to perform services for, or provide products to, or act for or on behalf of the Company
Bribery	Act of giving, agreeing to give, promises or offers to any person, any gratification* (including payment of cash, gifts, or excessive entertainment, or an inducement of any kind offered or given to any person) with the intent (a) to obtain or retain business for the Company; or (b) to obtain or retain an advantage in the conduct of business for the Company.
Corruption	Abuse of entrusted power for private gain.
Employees	All Directors and Employees of the Company, including full-time or permanent employees, part-time employees, employees on probation, employees on secondment and employees on fixed-term contracts, trainees and interns
Entertainment / Hospitality Expenses	Meals, drinks, lodging, travel or other expenses given to or received from persons who have or who may have facilitated the creation of a business relationship with the Group. This includes expenses incurred by a prospective client, customer or business partner. Expenses can be a legitimate contribution to achieving a business outcome and also include attendance at social, cultural or sporting events.
Gifts	Money, goods or services, which, if given appropriately, are a mark of friendship or appreciation. Gifts should be given without expectation of consideration or value in return.

Gratification*	As defined under Section 3 of the Malaysian Anti-Corruption Commission Act 2009
Money Laundering	Process of introducing money, property or other assets derived from illegal and criminal activities into the legal, financial and business cycle to give it a legitimate appearance. It is a process of cleaning 'dirty' money to disguise its criminal origin.
Public Officials	Anyone in a position of official authority that is conferred by a state, i.e. someone who holds a legislative, administrative, or judicial position of any kind, whether appointed or elected, includes officers to Public Bodies, candidates for public office, officials of any political parties and officials of any state-owned enterprises.
Public Bodies <i>(as defined in Section 3 of the MACC Act 2009)</i>	Includes the Government of Malaysia, State Government, any local and statutory authority, national or state department, registered societies, registered sports governing bodies, companies or subsidiaries of any public bodies.

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4. POLICY STATEMENT

SMIB Group has adopted a **ZERO TOLERANCE** policy against all forms of bribery and corruption.

The Company is committed to taking all necessary measures to ensure that our businesses do not participate in corrupt activities and to implement adequate procedures effectively to: -

- (a) Comply with all relevant laws and regulations on anti-bribery and corruption, particularly the Malaysian Anti-Corruption Commission Act 2009 (Act 694).
- (b) Upholds the values of integrity, transparency, accountability and ethical behavior in the conduct of business dealings and operations.
- (c) Achieve anti-bribery management system objectives and align with stakeholder needs and expectations.
- (d) Prohibit all forms of bribery and corruption in all business dealings and operations.
- (e) Establish an independent anti-bribery compliance function.
- (f) All employees must comply with the Anti-Bribery and Corruption Policy and Procedures, Code of Conduct and other related policies.
- (g) Promotes transparency and integrity by encouraging all employees and stakeholders to report misconduct or wrongdoing.
- (h) Conduct a thorough investigation into any misconduct or wrongdoing and take appropriate action.
- (i) Continuously improve the anti-bribery management system.

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

This Policy & Procedure does not prohibit gifts, hospitality and entertainment offered and/or received in the normal course of business. However, it is important to note that certain gifts, hospitality and entertainment may cause improper influence or appear or be perceived to cause improper influence. Such gifts, hospitality and entertainment may

even be seen as bribes that may tarnish the Company's reputation or be in violation of anti-bribery and corruption laws.

5.1 Gifts, hospitality and entertainment that are usually acceptable

As a guiding principle, all Employees may offer and receive gifts, hospitality and entertainment provided that such gifts, hospitality and entertainment are appropriate, reasonable (not excessive) and are usually acceptable in the normal course of business. When determining whether such gifts, hospitality or entertainment are permissible, all Employees should take into consideration the following:

(a) Intention and timing

What is the intention of offering or receiving such gifts, hospitality and entertainment? Is it being offered at a time that could affect business negotiations or decisions?

Gifts, hospitality, and entertainment must not be offered or accepted with the intention of influencing a party's objectivity in making business decisions. Any such benefits that carry a direct or indirect suggestion, expectation, or implication of a favourable outcome in return are strictly prohibited. In addition, gifts, hospitality, and entertainment must not be offered or received immediately before, during, or after the negotiation of any business decision.

(b) Transparency

Would you be embarrassed, anxious, fearful or guilty if your superior, colleague or anyone else became aware of the gifts, hospitality and entertainment offered or received?

All gifts, hospitality and entertainment offered and received should be made openly and in a transparent manner.

(c) Frequency

How frequent are the gifts, hospitality and entertainment being offered or received?

All gifts, hospitality and entertainment offered and received should be made as an occasional occurrence and should not create any expectations. All gifts, hospitality and entertainment should be reasonable, appropriate and justifiable in the normal course of business.

(d) Compliance with the other party's policies and rules

Are the gifts, hospitality and entertainment offered or received allowed by the other party's policies and rules?

All Employees should ensure that the gifts, hospitality and entertainment offered and received do not violate the other party's applicable policies and rules.

(e) Legality

Are the gifts, hospitality and entertainment offered or received illegal under any applicable laws?

All gifts, hospitality and entertainment offered and received must not be illegal under any applicable laws in the countries of both the offeror and recipient of such gifts.

5.2 Gifts, hospitality and entertainment that are strictly prohibited

Certain types of gifts, hospitality and entertainment are not permissible. As a guiding principle, the following gifts, hospitality and entertainment are **strictly prohibited**:

- (a) Gifts, hospitality and entertainment that are illegal or in breach of any laws, regulations or rules;
- (b) Gifts, hospitality and entertainment offered to a Public Official to facilitate or expedite a routine procedure;
- (c) Gifts, hospitality and entertainment involving parties currently engaged in a tender or competitive bidding process;
- (d) Gifts made in cash or cash equivalent i.e. anything that can be easily converted to cash;
- (e) Hospitality or entertainment that are sexually oriented;
- (f) Gifts, hospitality and entertainment provided or received that would be perceived as lavish or excessive or may tarnish the reputation of the Company;
- (g) Gifts, hospitality and entertainment that are a "quid pro quo", i.e., something offered in return for something else such as business advantage; and

- (h) Gifts, hospitality and entertainment that are paid for personally to avoid having to declare or seek approval for.

Detailed guidelines on gifts, entertainment and hospitality are further elaborated in the Company's Anti-Bribery and Corruption Manual.

5.3 Gifts, hospitality and entertainment that require prior approval

For gifts, hospitality and entertainment that are neither usually acceptable in the normal course of business nor strictly prohibited as stated above, such gifts, hospitality and entertainment may be acceptable with specific prior approval. Prior approval must be sought from the respective Superior and/or Head of Division/Department.

In observing the above guiding principles and in the spirit of transparency, ALL gifts, hospitality and entertainment received and/or offered shall be recorded in the Gift Register.

If ever in doubt as to whether a gift, hospitality or entertainment is allowed, employees should consult the Human Resource Department or Legal Department.

6. DONATIONS, SPONSORSHIP & CORPORATE SOCIAL RESPONSIBILITIES (CSR)

As a responsible corporate citizen, SMIB is committed to contributing to the well-being of the people and nation of Malaysia and the countries where it operates. It is however important that all donations and sponsorships are made in accordance with the Company's policies and receive prior authorisation from Management or the Board.

Employees must make sure that all sponsorships and donations are not used as a scheme to circumvent any prohibition on bribery.

Employees of the Company need to be certain that donations to local or foreign-based charities or beneficiaries are not disguised illegal payments or bribes to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

Generally, all sponsorships and donations must comply with the following:

- a) ensure such contributions are allowed by applicable laws;
- b) obtain all necessary internal and external authorisations;
- c) be made to well-established entities having an adequate organisational structure to guarantee proper administration of the funds;
- d) be accurately stated in the Company's accounting books and records;
- e) not to be used as a means to cover up an illegal payment or bribery.

Examples of red flags to look out for are as follows:

- a) The proposed recipient /organisation has affiliations with a Public Official or their relatives are involved;
- b) The contribution is made on behalf of a Public Official;
- c) There is a risk of a perceived improper advantage for SMIB;
- d) The proposed recipient is based in a high-risk country, the request comes from a high-risk country or the activity takes place in a high-risk country.

As part of SMIB's commitment to corporate responsibility and development, as a general principle, the Company provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

The proposed recipient of assistance must be a legitimate organisation and appropriate due diligence must be conducted. The Company requires employees to exercise good judgment when assessing donation and sponsorship requests. When in doubt as to whether a charitable contribution or social benefit is appropriate, employees should seek further advice from the Company's Risk Management Committee or Legal Department.

Detailed guidelines on gifts, entertainment and hospitality are further elaborated in the Company's Anti-Bribery and Corruption Manual.

7. POLITICAL CONTRIBUTIONS

All political contributions require approval from the CEO & the BOD. The records of the political contributions shall be kept by the Company Secretary.

8. FACILITATION PAYMENT, EXTORTION PAYMENT & KICKBACKS

“**Facilitation payment**” often referred to as “*Duit Kopi*”, is an illegal or unofficial payment or other gratification given in return for services or benefits that the payer is legally entitled to receive without making such payment. It is important to note that facilitation payments do not necessarily involve cash or other financial assets, it could be in the form of any advantage with the intention to influence the recipients in carrying out their duties.

Facilitation payment usually occurs with a Public Official or any person who has the authority to grant the following, which includes but is not limited to certification, licenses, permissions, or permits, to secure or expedite the said process.

“**Extortion payment**” is the demanding of a gratification, whether or not coupled with a threat if the demand is refused.

“**Kickbacks**” are typically payments made in return for a business favour or advantage.

The Company strictly prohibits all its Employees from accepting or giving, whether directly or indirectly, any facilitation payments, extortion payments, or kickbacks of any kind. Associates must avoid any activity that might lead to a facilitation payment, extortion payment, or kickback being made or accepted.

However, there are certain situations or circumstances in which a facilitation and/or extortion payment is forced to be made to protect one’s life, limb, or liberty. In such situations, any facilitation and/or extortion payment made must be reported to the CEO and Risk Management Committee immediately.

9. MONEY LAUNDERING

SMIB strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.

To avoid violating anti-money laundering laws, Employees are expected to conduct reasonable customer and counterparty due diligence to understand the business and background of the Company’s prospective customers and counterparties and to determine the origin and destination of money, property, and services.

10. EMPLOYEES AND RECRUITMENT

All Employees shall be provided with the Code of Conduct and Ethics for Employees and shall be required to comply with such code. Appropriate training and communication of the anti-bribery and corruption shall also continue to be provided to all Employees.

SMIB provides equal opportunity for any qualified and competent individual from multicultural and multiracial backgrounds to serve the Company. Employees' recruitment 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.

In line with this, for all recruitments:-

- a) Where applicable, proper background checks should be conducted to ensure that the potential employee has not been convicted of any bribery or corruption cases nationally or internationally.
- b) Offers of employment should not be given in exchange for or to reward any benefit received by the Company. The Company should not offer employment, procure and/or create an opening within the Group in exchange for a personal benefit or seek an unfair advantage in any business negotiation or as an inducement for future business.

11. DEALING WITH ASSOCIATES AND THIRD PARTIES

SMIB's dealings with Associates and third parties, which include contractors, suppliers, agents, consultants, joint venture partners, introducers, intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of the Company. As part of this commitment, all forms of bribery and corruption are unacceptable and must not be tolerated. It is the Company's policy to conduct appropriate and adequate due diligence on all Third Parties before any formal arrangement is entered.

12. DEALING WITH PUBLIC OFFICIALS

SMIB Group strives to build transparent and fair relationships with government agencies and public officials. The Company's Employees and Associates must exercise caution when dealing with public officials and appropriate action must be taken to comply with applicable laws and regulations of bribery and corruption in Malaysia.

13. WHISTLEBLOWING: RAISING A CONCERN OR COMPLAINT

The Company encourages all its Employees, Associates, business partners, customers and members of the public to report any real and/or suspected bribery and corruption. All reports, complaints or disclosures made shall be kept strictly confidential. Anyone who makes a report, complaint or disclosure in good faith and without malicious intent shall be protected from any retaliation and discrimination, regardless of the investigation outcome.

The Company has established a whistleblowing channel to enable all Employees, Associates, business partners, customers and members of the public to report any real and/or suspected bribery or corruption. The details and procedures set out in the Whistleblowing Policy are made available via the Company's website www.smib.com.my

14. NON-COMPLIANCE AND INVESTIGATION

The Company treats all non-compliance and/or violations of this Policy and all applicable laws seriously. Any Employees found or reported to be non-compliant or in violation of this Policy or any applicable laws may be subject to disciplinary action, including termination of employment.

The Company reserves the right to report any action or activity suspected to be criminal in nature to the authorities.

15. SYSTEMATIC REVIEW AND MONITORING

SMIB recognises that managing an anti-bribery and corruption programme is a continuous process. A systematic review and monitoring process is necessary to ensure its objectives are met.

This Policy is reviewed and approved by the Board of Directors and Audit Committee. The Audit Committee is responsible for overseeing the process and reviewing the effectiveness and compliance of the anti-bribery and corruption programme and policy. The reviews may take the form of internal audits by the Group Internal Audit Department (GIAD) or independent audits by an external party, wherever necessary.

A review of the anti-bribery and corruption programme shall be included in GIAD's Audit Plan periodically. The scope of the review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required, to ensure that the programme and policy remain relevant and adequate.

16. RECORD KEEPING

The Company and the respective business units will keep financial records and have appropriate internal controls in place as documentary evidence of the business reasons for making payments to, and receiving payments from, any person.

Employees must ensure that all expense claims relating to hospitality, gifts or expenses incurred to Associates and/or any person are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure.

Employees shall further ensure that all expense claims comply with the terms and conditions of this Policy.

All accounts, invoices, contracts and other documents and records relating to dealings with Associates and/or any person shall be prepared and maintained with strict accuracy and completeness.

All Associates are reminded that no records shall ever be kept "off-book" to facilitate or conceal improper payments. All record keeping and Document Management System shall be fully in line with the respective SMIB's Business Unit operating policies.

17. EFFECTIVE DATE

This revised ABC Policy is approved by the BOD and made effective as of 25 May 2026.