

LII HEN INDUSTRIES BHD
(Company No.:199401015681 / 301361-U)

ANTI-BRIBERY AND CORRUPTION POLICY ("ABC" POLICY)
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1. Introduction

- 1.1. Lii Hen Industries Bhd. ("Company") and its subsidiaries ("Group") are committed to conducting business in a lawful, ethical, and transparent manner. Recognising the increasing global emphasis on combating corruption, including the corporate liability provisions introduced in Malaysia under the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), our Group has implemented this Anti-Bribery and Corruption Policy ("ABC Policy" or "Policy"). This Policy outlines our principles, commitments, and adequate procedures for addressing bribery and corruption risks in all our business activities, both locally and internationally.
- 1.2. This ABC Policy is closely aligned with:
 - a) The Guidelines issued by the Prime Minister's Office under Section 17A (5) of the MACC Act 2009 ("Guidelines on Adequate Procedures"); and
 - b) Established international anti-bribery and anti-corruption standards and practices, such as ISO 37001 (Anti-Bribery Management Systems), the UK Bribery Act 2010, and the United Nations Convention Against Corruption (UNCAC).
- 1.3. Our Group aims to achieve high standards of integrity and business ethics to prevent the occurrence of bribery or corruption activities in the conduct of our Group's businesses across the various countries we operate in.
- 1.4. The Group shall conduct regular Corruption Risk Assessments ("CRA") to identify, assess, and mitigate corruption-related risks within our operations, third-party engagements, and any new ventures. The findings from the CRA shall be reviewed and reported to the Board at least annually, or at more frequent intervals as deemed necessary, to ensure timely and appropriate responses. The Board shall determine if CRA findings require further action or discussion as a standing agenda item in Board meetings.

2. What does the Policy cover?

- 2.1. This Policy sets out the responsibilities of the Board of Directors, Management and Employees (including trainees, seconded staff, casual workers, agency staff, volunteers, interns, whether temporary, contract-basis or permanent) of the Group and those who provide services for and on behalf of the Group (collectively "Associated Persons") on the requirement to observe and uphold the Group's zero-tolerance position and stance on "bribery and corruption" (collectively known as "corrupt gratification").
- 2.2. This Policy provides a source of information and guidance for those Associated Persons. It helps them recognise and deal with corrupt gratification, as well as understand their responsibilities.
- 2.3. For the purpose of this Policy:
 - a) Bribery means the act of offering, promising, giving, accepting, or soliciting an advantage as an inducement for an action which is illegal, unethical or a breach of trust;
 - b) Corruption means the abuse of entrusted power for private gain;
 - c) Gratification shall have the meaning as defined in Section 3 of the MACC Act 2009, i.e.:
 - i) 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;
 - ii) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - iii) Any payment, release, discharge or liquidation of any loan, obligation, or other liability, whether in whole or in part;
 - iv) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - v) Any forbearance to demand any money or money's worth or valuable thing;
 - vi) Any other service or favour of any description, including protection from any penalty

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or disability incurred or apprehended or from any action or proceedings of any 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

- vii) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (i) to (vi).

2.4. The provision or receipt of gratification is not an offence unless it is done corruptly.

2.5. The Policy is supported by the Group’s Code of Conduct & Ethics, which outlines the ethical principles expected of employees and stakeholders. The Code emphasises integrity, accountability, respect, and compliance with applicable laws, ensuring that all business dealings reflect the Group’s values. All Associated Persons must adhere to the Code in conjunction with the ABC Policy.

3. Due Diligence

3.1. The Group conducts due diligence on all third parties, including service providers, distributors, consultants, suppliers, customers, contractors, and agents, before entering into agreements. This due diligence process includes, but is not limited to:

- a) Reputation Assessment: Verifying the third party’s legal history, integrity, and past involvement in corruption-related cases,
- b) Financial Standing: Assessing financial viability to ensure they do not pose undue risk,
- c) Ownership Structure: Identifying ultimate beneficial owners to detect potential conflicts of interest, and
- d) Compliance Review: Ensuring adherence to applicable anti-bribery and corruption laws, including confirming if they have similar policies in place.

3.2. The scope and depth of due diligence shall be risk-based, with enhanced scrutiny applied to higher-risk entities and transactions.

3.3. All contracts must include anti-bribery clauses requiring compliance with the Group’s ABC Policy and applicable laws. Breaches of these clauses may result in immediate termination of agreements and, where necessary, reporting to the relevant authorities.

4. Policy statement

4.1. The Group is committed to complying with the relevant anti-bribery and corruption laws and regulations, where any breaches or violations may cause damage to the Group. The consequences may include reputational damage, legal fines, imprisonment for the persons responsible, and eventual loss of business or key talents in the Group. Accordingly, the Group has adopted the following position and stance on bribery and corruption:

- a) The Board of Directors of Lii Hen Industries Bhd. adopts a zero-tolerance approach towards bribery and corruption, and the Group shall not pay nor receive any corruption gratification to or from anyone respectively for any purpose;
- b) The Group shall uphold this position and stance across its business seriously and expect the same from stakeholders, both internal and external to the Group’s business, extending to all the Group’s business dealings and transactions in the countries the Group operates;
- c) All Associated Persons shall adhere to and observe the Group’s anti-bribery and corruption position and stance and relevant provisions set out in the Group’s Policy; and
- d) The Group treats any violation of the Policy seriously and shall undertake necessary actions, including, but not limited to, review of employment or appointments, contracts (including termination of contracts), disciplinary actions, dismissals, and reporting to the authorities, consistent with the relevant laws and regulations.

4.2. The Group recognises that acts of corrupt gratification are punishable by way of pecuniary fines and/or jail sentences, upon conviction. If any entity in the Group or Associated Person is found to

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have taken part in bribery or corrupt activities to benefit the Group, either by way of obtaining or retaining a business or advantage in the conduct of the Group’s business, we may be exposed to prosecution and may be subjected to a monetary fine of not less than 10 times the sum or value of the corrupt gratification, and/or specified officers of the Group jailed not exceeding 20 years, upon conviction under the MACC Act 2009. There may well be other associated charges brought against the Group and/or its officers under other legislations in Malaysia or in the countries in which the alleged offence is committed. These acts may lead to serious damage to our reputation. It is with this in mind that we remain committed to preventing acts of corrupt gratification in our businesses, and we take our legal responsibilities seriously.

5. Who is covered by the Policy?

- 5.1. This Policy applies to all Associated Persons, wherever they are located (within or outside of Malaysia). The definition of Associated Persons is in accordance with S17A (6) of the MACC Act 2009.
- 5.2. In the context of this Policy, third party refers to any individual or organisation our Group meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, consultants, representatives and officials, politicians, and public parties.
- 5.3. Any arrangements our Group makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with at least the minimum standards and procedures relating to anti-bribery and corruption, aligned with this Policy.
- 5.4. The Group’s Compliance Officer refers to identified director of each subsidiary company within the Group. If no specific individual is identified or designated, the General Manager shall act as the person in charge. This individual is responsible for overseeing compliance with the Group’s policies and legal obligations and is accountable for compliance matters of the subsidiary the individual manages. Employees and other Associated Persons must seek guidance from the Group’s Compliance Officer if they are uncertain whether a particular act constitutes bribery, a gift, or an act of hospitality, to ensure adherence to the Group’s anti-bribery and corruption policies.
 - a) Group Compliance officer: Chua Yong Chai,
 - b) LIIHEN Furniture Sdn Bhd Compliance officer: Chua Yong Chai,
 - c) EF Furniture Sdn Bhd Compliance officer: Tan Uei Jye,
 - d) CT Haup Heng Sdn Bhd Compliance officer: Tok We Lun,
 - e) Mayteck Kilang Kayu Dan Perabut Sdn Bhd Compliance officer: Tok Soon Hing,
 - f) Kejorak Juara Sdn Bhd Compliance officer: Chua Yong Haup,
 - g) Favourite Design Sdn Bhd Compliance officer: Christina Toh Siew Tin,
 - h) LII HEN Plantation Sdn Bhd Compliance officer: Tok Heng Leong,
 - i) PPL Plantations Sdn Bhd Compliance officer: Tok Heng Leong, and
 - j) LSG Furniture Sdn Bhd Compliance officer: Sia Chee Shong.

6. What IS and what IS NOT acceptable?

- 6.1. This section of the Policy refers to the following four (4) areas, covering the payment and receipt of:
 - a) Gifts, entertainment, hospitality and travel;
 - b) Facilitation payments;
 - c) Political contributions; and
 - d) Charitable contributions and sponsorships.
- 6.2. Gifts, entertainment, hospitality, and travel
 - a) The Group accepts normal and appropriate gestures of hospitality and goodwill (whether

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given to or received from third parties) so long as the giving or receiving of gifts, entertainment, hospitality, and travel meets the following requirements:

- i) It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours, positions or benefits;
 - ii) It is not made with the suggestion that a return favor is expected;
 - iii) It complies with prevailing laws and regulations;
 - iv) It is given in the name of the organisation, not in an individual’s name;
 - v) It does not include cash or a cash equivalent (e.g., a cash or gift voucher);
 - vi) It is appropriate or customary for the circumstances (e.g., giving small gifts during festive seasons or as a gesture of appreciation to an organisation for helping out with a large project upon completion);
 - vii) It is of an appropriate type and value, and given at an appropriate time, considering the reason for the gift, entertainment, hospitality and travel;
 - viii) It is given or received openly, not secretly;
 - ix) It is not selectively given to a key or influential person, clearly with the intention of directly influencing them;
 - x) It accords with the limits of threshold, frequency, and approval mandate as pre-determined by the Group; and
 - xi) It is not offered to, or accepted from, a government official or representative, politician or political party, without prior sanction in writing based on the Group’s approval mandate.
- c) We shall ensure that all gifts, entertainment, hospitality, and travel made are legal and ethical under prevailing laws and practices, and that such expenses incurred are made in accordance with the Group’s approval mandate.
- d) Considerations for Gifts, Entertainment, Hospitality, and Travel
- i) Receiving Gifts
 - 1) In certain situations, refusing an offer of gifts, entertainment, hospitality, or travel may be deemed inappropriate. For example, interactions with individuals from specific religious or cultural backgrounds may make refusal offensive. In such cases, the offer may be accepted; however, it must be formally declared to the Compliance Officer. Any accepted gifts must be fairly distributed to employees or departments with no direct business relationship with the giver to mitigate potential conflicts of interest,
 - 2) The Group has established a policy that the value of a single gift must not exceed RM5,000, and the frequency of gifts received must not exceed four (4) times per year. Any offer exceeding these limits, regardless of its form, must be immediately reported to the Compliance Officer. The Compliance Officer shall assess the situation and determine the appropriate course of action, which may include returning the gift, reallocating it to unrelated personnel, or outright rejection. In exceptional cases where accepting a gift exceeding RM5,000 or beyond the frequency limit is justified, a detailed written explanation must be provided and prior approval from Senior Management must be obtained,
 - 3) The Compliance Officer is responsible for thoroughly reviewing all declared items to ensure compliance with the Group’s policies, ethical standards, and applicable laws, thereby safeguarding the Group’s commitment to integrity, and
 - 4) Specific Provisions:
 - i. For a single gift valued at RM5,000 or below, and received no more than four (4) times per year, it must be declared and recorded in the ABC-F011

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document; and

- ii. For a single gift exceeding RM5,000, or if received more than four (4) times per year, it must be verified by the subsidiary Compliance Officer and approved by the Group Compliance Officer, with all details recorded in the ABC-F011 document.

ii) Giving Gifts

- 1) When providing or receiving gifts, entertainment, hospitality, or travel, careful consideration must be given to the intent behind the action. If there is any uncertainty, the Compliance Officer shall be consulted. The Group has established a formal policy to regulate such practices, with the following specific provisions:
 - i. RM500 or below: Requires approval from the subsidiary Compliance Officer and must be recorded in the ABC-F011 document; and
 - ii. Above RM500: Requires verification by the subsidiary Compliance Officer and additional approval from the Group Compliance Officer, with all related transactions recorded in the ABC-F011 document.
 - 2) The Compliance Officer is responsible for monitoring all declared transactions, maintaining detailed records, evaluating each case, and ensuring compliance with the Group’s policies, ethical standards, and applicable laws. Additionally, the Compliance Officer must regularly report monitoring results, including trend analysis, potential risks, and actions taken, to the Board Risk Management & Sustainability Committee or the Board of Directors, thereby ensuring oversight of compliance activities, upholding integrity principles, and proactively managing potential risks.
- d) The Group recognises that the practice of giving and receiving business gifts varies across countries, regions, cultures, and religions, resulting in differing definitions of what is deemed acceptable or unacceptable. To maintain consistency and uphold ethical standards, the Group has established general limits on the value and frequency of business gifts. As a general rule, any gift exceeding the set limits must be declined. However, exceptions may be permitted under unusual or exceptional circumstances, provided that written justification is submitted and prior approval is obtained from the Board. This approach ensures flexibility while safeguarding the Group’s commitment to integrity, compliance with applicable laws, and respect for cultural sensitivities.
- e) As good practice, gifts, entertainment, hospitality, and travel given and received shall always be disclosed to the Compliance Officer.

6.3 Facilitation Payments and Kickbacks

- a) The Group does not accept and shall not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for routine governmental action. We recognise that they tend to be made to low level officials with the intention of securing or speeding up the performance of a certain duty or action.
- b) The Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.
- c) The Group recognises that despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their or their family’s personal security at risk. Under these circumstances, the following steps must be taken:
 - i) Keep any amount to the minimum;
 - ii) Ask for a receipt, detailing the amount and reason for the payment;
 - iii) Create a record concerning the payment; and

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iv) Report this incident to your line manager.

6.4 Political Contributions

The Group shall not make donations, whether in cash, kind or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

6.5 Charitable Contributions

- a) The Group accepts and encourages donations to charities as part of its corporate social responsibility initiatives, whether through services, knowledge, time, or direct financial contributions (cash or otherwise). To ensure transparency and accountability, the Group commits to disclosing all charitable contributions on its corporate website at liihenfurniture.com. The Compliance Officer, in collaboration with the Corporate Social Responsibility (CSR) team, shall be responsible for monitoring and ensuring that all charitable contributions are accurately recorded and disclosed in a timely manner. This process includes maintaining detailed records of donations and conducting periodic reviews to verify compliance with the Group’s policies and commitments.
- b) Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery. If in doubt, check with the Compliance Officer.
- c) We shall ensure that all charitable donations made are legal and ethical under prevailing laws and practices, and that donations are offered or made in accordance with the Group’s approval mandate.

7 Employee Responsibilities

- a) As an employee of the Group, you must ensure that you read, understand and comply with the information contained within this Policy, and with any training or other anti-bribery and corruption information you are given from time to time.
- b) All employees and those under our control are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.
- c) If you have reason to believe or suspect that an instance of bribery or corruption has occurred or may occur in breach of this Policy, you are encouraged to report it through the Whistleblower Channel. This channel ensures confidentiality and allows for anonymous reporting via the suggestion box QR code provided by the Group. Employees are assured that all reports will be handled impartially and without fear of retaliation or being blacklisted. The Compliance Officer, in collaboration with the designated Whistleblower Committee, shall investigate the matter and take appropriate action in line with the Group’s policies and applicable laws.
- d) If any employee breaches this Policy, the employee shall face disciplinary action and could face dismissal for gross misconduct. The Group has the right to terminate a contractual relationship with an employee if the employee breaches this Policy.

8 What happens if I need to raise a concern?

This section of the Policy covers the following three (3) areas:

- a) How does one raise a concern?
- b) What to do if you are a victim of bribery or corruption? and
- c) Protection.

8.1 How does one raise a concern?

- i) If you suspect that there is an instance of bribery or corrupt activity occurring in relation to the Group, you are encouraged to raise your concerns at as early a stage as possible. If you are uncertain about whether a certain action or behaviour could be considered bribery or corruption, you should speak to your line manager, the Compliance Officer, the Managing Director or the Audit Committee Chairman.

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- ii) The Group shall, via the Compliance Officer, familiarise all employees with its whistleblowing policy and procedures so that employees can vocalise their concerns swiftly and confidentially. The Whistle-Blowing mechanism, which is uploaded on the Company’s website at liihenfurniture.com provides external stakeholders as well as the public to report any actual or suspected wrongdoing, in good faith without fear of reprisals, to designated persons mentioned in the Group’s Whistle-Blowing Policy and Procedures document.

8.3 What to do if you are a victim of bribery or corruption?

You must tell your Compliance Officer as soon as possible if you:

- are offered a bribe by anyone,
- are asked to make one,
- suspect that you may be bribed or asked to make a bribe soon, or
- have reason to believe that you are a victim of another corrupt activity.

8.4 Protection

- a) If you refuse to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption, the Group understands that you may feel worried about potential repercussions. The Group shall support anyone who raises concerns in good faith under this Policy, even if investigation finds that he/she was mistaken.
- b) The Group shall ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because he/she reported a concern relating to potential act(s) of bribery or corruption.
- c) Detrimental treatment refers to dismissal, disciplinary action, or unfavorable treatment in relation to the concern the individual raised.
- d) If you have reason to believe you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform your line manager or the Compliance Officer immediately.

9 Training and communication

- 9.1 The Group shall provide training on this Policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be asked annually to formally accept in writing that they will comply with this Policy.
- 9.2 The Group’s Anti-Bribery and Corruption Policy and zero-tolerance stance shall be clearly communicated to all suppliers, contractors, business partners and any third parties at the outset of business relations, and as appropriate thereafter.
- 9.3 The Group shall provide relevant anti-bribery and corruption training to employees, etc., where we feel their knowledge of how to comply with the MACC Act 2009 or other requirements (e.g., the Malaysian Code on Corporate Governance, Bursa Malaysia’s Listing Requirements, Companies Act 2016, etc.) on anti-bribery and corruption needs to be enhanced. As good practice, all companies in the Group shall provide their employees with anti-bribery training annually where there is a potential risk of facing bribery or corruption during work activities. The Group accepts that such training may be conducted by certified and experienced employees within the Group. Detailed records of all training sessions, including participants, trainers, and training materials, shall be maintained and updated to ensure proper documentation and compliance monitoring.

10 Record keeping

The Group shall keep detailed and accurate financial and other records and shall have appropriate internal controls in place as evidence for all payments made. We shall declare and keep a written record of the amount and reason for gifts, entertainment, hospitality, and travel accepted and given, including donations, sponsorships and expenses of similar nature by whatever name called, and understand that such expenses are subject to managerial review. The record shall document the following as a minimum:

- a) Identify of the giver and recipient (names of individuals and corporations they represent);

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- b) The actual amount expended or best estimate (in respect of gifts, entertainment, hospitality, and travel received);
- c) Purpose of the giving or receiving; and
- d) Frequency of giving or receiving.

11 Monitoring, reviewing and enforcement

- 11.1 The Group’s Compliance Officer is responsible for monitoring the adequacy and operating effectiveness of this Policy and shall review its implementation on a regular basis, including assessing its suitability, adequacy, and effectiveness.
- 11.2 Internal control systems and procedures designed to prevent acts of corrupt gratification are subject to regular internal audits to ensure that they are effective in practice.
- 11.3 Any need for improvements shall be applied immediately. Employees are encouraged to offer their feedback on this Policy if they have any suggestions on how it may be improved. Feedback of this nature shall be addressed to the Compliance Officer.
- 11.4 This Policy does not form part of an employee’s contract of employment. The Group reserves the right to amend it from time to time to ensure alignment with evolving legal requirements, industry practices, and operational needs. Any material changes to this Policy shall be reviewed and approved by the Board.
- 11.5 Any employee of the Group or Associated Persons, if found guilty of an act of bribery or corruption in breach of this Policy, shall be dealt with according to the Group’s disciplinary measures.

This Policy is approved by the Board of Directors of Lii Hen Industries Bhd. via a resolution dated 1 Jan 2026

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