

	STANDARD OPERATING PROCEDURE		
	NO GIFT	DOC. NO	KJCF
		REV. NO	3.0
		EFF. DATE	31 <sup>st</sup> March 2025
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## 1 Objective

To provide information and guidance to employees of Kian Joo Group of Companies (“the Group”) and to assist employees in evaluating and determining the appropriateness of various types of Gifts (whether to give or to receive). This is to assist our employees to demonstrate the highest standards of ethical behavior and conduct in all matters when dealing with customers, suppliers, civil authorities, regulators, third party agents, recruitment agents, job applicants, contractors including employees of the Group.

## 2 Scope

This Standard Operating Procedure (SOP) applies to all employees (including full-time, contract, part-time, temporary staff or interns) and any other person providing services to the Group and acting on the Group’s behalf such as consultants, independent contractors, external agencies and/or any other party that the Group has appointed to act on its behalf.

## 3 Responsibilities of Key Personnel

### 3.1 Board of Directors

Endorse the No Gift Policy. Make recommendation to the Executive Directors as required. Evaluate effectiveness of the No Gift Policy.

### 3.2 Executive Management

- To implement the policy by setting out the No Gift Standard Operating Procedures (SOP).
- To approve training on No Gift Policy and SOP awareness for employees.
- To evaluate the effectiveness of the SOP adopted from time to time and advise the Board of Directors of any changes that may be required of the No Gift Policy.

### 3.3 Management

- To communicate the No Gift Policy and SOP to all employees.
- To communicate the No Gift Policy to all third parties acting on behalf of the Group.
- To communicate the No Gift Policy to all customers, vendors and contractors of the Group.
- To recognize the types of Gifts (whether given or received) that may occur within the business of the Group.
- To ensure an adequate system of internal control exists and operates effectively to minimize the opportunity for employees and agents acting on behalf of the Group to receive or give or offer any form of gifts in the conduct of the Group’s business for personal benefit or for the benefit of the Group without prior approval or notification.

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- To ensure new employees and agents acting on behalf of the Group are given approved briefing on the No Gift Policy and SOP.

### 3.4 Employees

- To act ethically and with integrity at all times especially when he or she is representing the Group.
- To not give, agree to give, promise or offer to or accept from any person/party, any form of gifts or gratification either voluntarily or when asked to do so in the conduct of the Group's business for personal benefit or for the benefit of the Group.
- To only give or accept with the express consent given by the executive directors. Employees will be required to declare any gift received or to be given.

## 4 What is a Gift?

A "Gift" is anything of value that is given to or received from any person or organization with which any of Kian Joo Group of companies does business or is actively considering doing business (e.g., vendors, consultants, customers, civil authorities, agent, contractors) or with which the Group competes or any person employed by any such organization, or that otherwise directly or indirectly relates to a person's employment with any of Kian Joo group of companies, whether or not to or from any of such entities or persons. Gifts include but are not limited to gifts, meals, lodging, loans, cash, gratuity, favour, entertainment, fee, commission, favourable terms or discounts on any product or service, services, equipment, prizes, products, transportation, use of vehicles, vacation, or other facilities, stocks or other securities, home improvements, tickets, gift certificates, gift cards, discount cards, memberships, employment or consulting relationships or services, or any other form of compensation or benefit.

**A Gift is considered given or received by an employee if the Gift is given or received by any of the following:**

- 4.1** The employee.
- 4.2** Any family member or relative of the employee, including, but not limited to, payments to or by, or employment of, any such family member or relative.
- 4.3** Any other person or entity at the employee's direction or for the employee's benefit.
- 4.4** If an employee is at all uncertain whether or not something is a Gift, the employee must assume that it is a Gift and is subject to this Gift Policy (e.g., if a vendor or potential vendor who is also a personal friend gives the employee a birthday present). It is important to avoid even the appearance of impropriety. Consequently, every transaction with an

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active or potential vendor, competitor, consultant, business partner or customer of the Group should be considered and evaluated as a Gift even if an employee believes the transaction involves fair and full consideration between the parties.

**5 The following guidelines are intended to assist employees and their superiors in evaluating and determining the appropriateness of various types of Gifts (whether given or received):**

**5.1 Appropriate Gifts:** Using good judgment and moderation, occasionally receiving from or offering to employees of a nongovernmental entity, gifts or entertainment of nominal value is appropriate and can create goodwill and enhance business relationships, provided the applicable requirements specified in this No Gift SOP are complied with.

**5.2 Inappropriate Gifts:** Other types of favors, gifts, and entertainment are simply wrong and unacceptable, either in fact or in appearance, so that they are never permissible regardless of any other provision of this No Gift Policy and SOP. No one can accept, request, offer, give or approve the following types of Gifts in connection with work in the company:

**5.2.1** Any amount of cash or cash equivalents, including, but not limited to, gift certificates, gift cards, or discount cards (even if only redeemable for merchandise), stock, or other securities.

**5.2.2** Favours, gifts, or entertainment that would be illegal or violate any law, regulation, including, but not limited to, bribes, kickbacks, or the like.

**5.2.3** Anything as part of an agreement to do anything in return for favours, gifts, or entertainment.

**5.3 Questionable Gifts:** Anything that is not clearly either an “Appropriate Gift” or an “Inappropriate Gift” may or may not be appropriate depending on the facts and circumstances of the Gift. In determining whether to accept, give or approve any such Gift, the following factors should be considered:

**5.3.1** Gifts, favours or entertainment are not appropriate and shall not be given or accepted if they would be likely to influence the employee’s or business partner’s objectivity or decisions, put the recipient or giver under any moral or other questionable obligation to any person or entity other than Kian Joo Group, compromise the company’s interests, interfere with an employee’s impartial discharge of duties, influence an employee’s decisions or the exercise of his or her best business judgment, pressure someone to reciprocate or grant favours, impose a sense of obligation on any person or entity, or create an actual or

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apparent conflict of interest or appearance of impropriety for the employee or the Company.

- 5.3.2 Whether there is a substantial business purpose in connection with the Gift (for example, business will be discussed as part of the event).
- 5.3.3 The precedent that will be set for, and how it would appear to, other employees and people outside the company.
- 5.3.4 Whether the gift, favour or entertainment is moderate, reasonable, and in good taste and openly provided without any effort to conceal the facts.

## 6 General Rules Applicable to Both Receiving and Giving Gifts

Gifts may not be accepted or given by employees, their family members and relatives or other persons or entities acting at their direction if any of the following statements are true:

- 6.1 The Gift violates this No Gift Policy and SOP or any other policy or any law or regulation, including, without limitation, any law or regulation governing gifts, entertainment or favours to government employees, or government agents.
- 6.2. The Gift obligates, or appears to obligate, the recipient or the company, to violate this No Gift Policy and SOP or any other policy or any law or regulation, including, without limitation, any law or regulation governing gifts, entertainment, or favours to government employees or government agents .
- 6.3 The Gift is an Inappropriate Gift.
- 6.4 The Gift requires notification and/or approval under this No Gift Policy and SOP, and such notification or approval has not been given or obtained.

If an employee is uncertain whether a Gift requires notification, prior approval under this No Gift Policy and SOP, he or she must assume that it does require such notification, and/or approval and must provide and obtain them.

- 6.5 **Recordkeeping.** Each employee is responsible for keeping a copy of each notification and/or approval, that he or she sends and/or receives under this No Gift Policy and SOP. If an employee cannot provide copies of proper notifications, and /or approvals proving compliance, the employee will be in violation of this No Gift Policy and SOP.

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### Receiving Gifts or Giving a Gift: Notification or Prior Approval

- 6.6 Notification.** Every Gift that has a value equal to or greater than MYR 500 (“Reporting Threshold”) must be reported by the applicable employee in writing (via email) within three (3) business days of receipt to all of the following (a “Gift Notification”):
- 6.6.1** The employee’s immediate superior.
  - 6.6.2** The employee’s department’s General Manager reporting to the Management.
  - 6.6.3** Group Head of Human Resource.
- 6.7** Employees who report directly to the Group President/Chief Executive Officer and/or Group Managing Director shall provide Gift Notifications only to the Group President/Chief Executive Officer and/or Group Managing Director. The Group President/CEO shall provide Gift Notifications to the Group Managing Director, and the Group Managing Director shall provide Gift Notifications to a designated member of to the Board of Directors.
- 6.8 Variations to the Reporting Threshold**—either greater or either the lesser amounts—for individual employees and/or groups of employees shall be approved by Group President/Chief Executive Officer or the Group Managing Director. Any such variations shall be communicated in writing (including by email) to the applicable employees in advance of their effectiveness.
- 7 Each Gift Notification must include, at a minimum:**
- 7.1** A complete description of the Gift and the nature of the business purpose of the Gift.
  - 7.2** The actual value of the Gift or a reasonable estimate of the value with documentation, if available, supporting the estimate.
  - 7.3** The person and/or entity that provided the Gift and their relationship with Kian Joo Group.
  - 7.4** The specific recipient of the Gift (e.g., employee, family member).
  - 7.5** The date of the Gift received and to be given.
- 8 Prior Approval.** Employees must obtain prior approval before they or their family members or their designees can accept any Gift that:

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**8.1** Alone, or together with Gifts previously received from the same or affiliated sources (including any persons or entities controlling, controlled by, or under common control with each other), equal or exceed MYR 5000 ("Prior Approval Threshold") during any calendar year, or

**8.2** Involves travel or accommodations being provided by a person or entity other than the Group or the employee (including, but not limited to, transportation and/or lodging regardless of the value).

**9 Variations to the Prior Approval Threshold**—either greater or lesser amounts—for individual employees and/or groups of employees shall be approved by either the Group President/Chief Executive Officer or Group Managing Director.

The policy is adopted to avoid conflicts of interest or the appearance of such conflicts for either party.

Should an employee require additional information or clarification, please contact our Group Head of Human Resource at [linwaihoong@kianjoocan.com.my](mailto:linwaihoong@kianjoocan.com.my).

## **10 Training**

Training on awareness of this No Gift Policy and Standard Operating Procedures (SOP) and its compliance forms part of the induction process for all new employees. All relevant existing employees shall receive training on how to implement and adhere to the Group's No Gift Policy and SOP.

Agents or representatives of the Group who are consultants, independent contractors, external agencies or any other party with a business relationship with the Group will be informed of this No Gift Policy. They will be required to sign a copy of the said Policy as an acknowledgement that they understand and will adhere to it. All agents or representatives will be informed whenever significant changes are made to this Policy and SOP.

## **11 Monitoring and Review**

The Group will review the effectiveness of the implementation of the Group's No Gift Policy and SOP at appropriate intervals, considering its suitability, adequacy and effectiveness. Any recommendation for improvement identified will be discussed and decided by the Executive Directors and endorsed by the Board of Directors. The Group's Internal control systems and procedures are also subject to regular audits by its Internal Audit Department to provide assurance that they are effective in minimizing the risks of fraud and corruption.