



FOCUS LUMBER BERHAD

REGISTRATION NO. 198901011405 (188710-V)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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1. Introduction

It is the policy of Focus Lumber Berhad (“FLB”) to conduct all of its business in an honest and ethical manner and to act in good faith. The company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and is committed to counter bribery.

Any incidents of bribery and corruption involving, or relating to FLB will damage FLB’s reputation. The Policy shall be read in conjunction with the Company’s other internal policies/ procedures/ guidelines/ manual.

2. Purpose

The purpose of this policy is to set out:

- FLB’s responsibilities, and of those working for it, in observing and upholding its position on bribery and corruption; and
- Provide information and guidance to those working for it on how to recognize and deal with bribery and corruption issues.

3. APPLICABILITY

This Policy is applicable to Focus Lumber Berhad (“FLB”) and its subsidiaries at all levels, including FLB Directors, employees (whether permanent or temporary) and trainees.

This Policy is also applicable to contractors, suppliers, agents and third parties who hold themselves as representing FLB.

4. Anti-Bribery and Anti-Corruption Policy

Any forms of bribery and corruption are strictly prohibited. This policy provides guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. FLB conduct all of its business in an honest and ethical manner. FLB will act professionally, fairly and with integrity in all FLB relationships as well as implementing effective controls to counter bribery and corruption. Under the Malaysian Anti-Corruption Commission Act, “bribery” means offering, giving/providing, receiving/accepting or requesting something of value (such as money or information) in an attempt to purposely influence the decisions or actions of the other person with a position of trust within an organisation.

Bribery may be carried out in the form of exchanging money, services, benefits, privileges, property, goods and etc. All employees are strictly reminded to restrict from directly or indirectly offer, provide, accept or request something in value to improperly influence a business outcome, or otherwise result in an improper advantage. Any misconduct is subject to the Company’s disciplinary action.

Any Third Parties who hold themselves to represent FLB are also prohibited from engaging in any form of corruption activity in their business operations.

No employee shall suffer penalty, demotion or other consequences if he/she refused to pay/ receive bribes or involve in corruption, even if such refusal would cause a loss in business.

FLB will uphold all laws relevant to anti-bribery and corruption in all the jurisdictions in which FLB conduct its business including, but not limited to the Companies Act 2016 (Malaysia), the Malaysian Anti-Corruption Commission Act (MACCA) 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

5. Roles and responsibilities

The success in the implementation of anti-bribery programme will depend greatly on the clarity of roles and responsibilities. Thus, the roles and responsibilities to be taken are set out as follows:

(a) Board of Directors

- Ensuring that the Anti-Bribery and Anti-Corruption Policy are aligned with FLB's strategy;
- Provide oversight to the anti-bribery programme;
- Ensure resources are properly and sufficiently assigned for the effective implementation of anti-bribery programme; and
- Review and approve the FLB's Anti-Bribery and Anti-Corruption Policy.

(b) Managing Director

- Promoting the culture of corporate integrity within FLB for effective implementation of the anti-bribery programme;
- Accountable to the board and ensure the responsibilities are assigned across the FLB in the implementation of the anti-bribery programme;
- Demonstrate visible and active commitment to implementation of the anti-bribery programme;
- Ensuring the Anti-bribery programme complied with the Anti-Bribery requirements and applicable laws and regulations of Malaysia;
- Communicate the Anti-Bribery and Anti-Corruption Policy internally and externally;
- Formalised the reporting procedures and encourage the use of reporting mechanism for suspected and actual bribery;
- Promoting non-retaliation policy for reports made in good faith or on the basis of reasonable belief of violations or suspected violations of the Company's Anti-Bribery and Anti-Corruption Policy; and
- Ensuring the appropriateness of the design of anti-bribery programme to achieve its objectives.

5. Roles and responsibilities (Cont'd)

(c) Anti-Bribery Officer

- To lead the design and implementation of the Anti-Bribery Programme;
- To provide advice, guidance and contributing to the training of the anti-bribery programme;
- Ensuring the adherence to the Company's Anti-Bribery policies and programme; and
- To regularly report on the performance of the Anti-Bribery programme to the Managing Director.

(d) Human Resource Department

- Ensure the recruitment process includes procedures that is fair, transparent and free from bribery and only the right people with proper behaviours and values are recruited or promoted;
- Ensure policies and procedures of anti-bribery programme are aligned to personnel practices and workable across FLB's operations;
- Ensure the remuneration and incentives scheme are properly design and recognise reward on employee's positive support on the anti-bribery programme;
- Record keeping on trainings conducted in relation to the anti-bribery programme; and
- Apply sanctions in accordance with the established HR policies and procedures for violations of the anti-bribery programme.

5. Roles and responsibilities (Cont'd)

(e) Sales Department

- Collect, analyse and store relevant information about the sales agent from the sourcing of sales agent procedures;
- Apply a comprehensive and consistent approach in registering, conducting due diligence as well as appointing of sales agents;
- Categorise and segmenting the third-party risk and provide input in the regular risk assessment;
- Build trust and constructive relationships with third party; and
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance to the anti-bribery programme.

(f) Purchasing Department

- Collect, analyse and store relevant information about the supplier, vendor or contractor from the sourcing procedures;
- Apply a comprehensive and consistent approach in registering, conducting due diligence as well as appointing of supplier, vendor or contractor;
- Conduct proper conflict of interest check during supplier, vendor or contractor appointment process;
- Categorise and segmenting the third-party risk and provide input in the regular risk assessment; and
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance to the anti-bribery programme.

5. Roles and responsibilities (Cont'd)

(g) Finance Department

- Ensure all transactions are recorded accurately in the books and records and implement regular checks for high risk transactions;
- Keep complete and accurate accounting records and book that provide requisite information with supporting documents;
- Assist in audits and investigations including those by authorities in the event of a bribery incident; and
- Ensure that financial controls are being implemented effectively in accordance with the financial policies and procedures.

(h) Production and Warehouse Department

- Ensure there was no bribery activity to influence production process such as prioritize orders, changes of specification, or substitution of inferior materials;
- Ensure there was no bribery activity to influence delivery arrangement; and
- Build trust and constructive relationships with third party.

(i) Internal Audit

- Provide advice on the design and monitoring of the anti-bribery programme; and
- Assist in audits and investigations including those by authorities in the event of a bribery incident.

5. Roles and responsibilities (Cont'd)

(j) All employees

- read, understand, and comply with the anti-bribery policies and procedures;
- Declaring any gifts, entertainment, hospitality, donations, sponsorship and facilitation payments provided or received in all situations to the Anti-Bribery Officer in accordance with the Company's policies and procedures; and
- Provide adequate assistance in the event of any bribery related investigation.

6. Gift, Entertainment and Hospitality

Regular communication on the anti-bribery policies and procedures is the foundation for effective risk mitigation in the area of gift giving and receiving. Employees are expected to exercise good judgement in receiving/offering gifts, entertainment and hospitality.

Employees must not solicit, offer or accept any gift, entertainment and hospitality which may influence their independence or business judgement, or which could create a conflict with any duty owed to the Company or its customers and other stakeholders. Only unsolicited gifts are permissible if they are customary and commonly accepted business courtesies.

Items that are customary and commonly accepted includes, but not limited to pens, calendars, notebook, cardholder and t-shirts. These require a strict process of approvals by the Managing Director. Any gifts, entertainment and/or hospitality to be offered or received must never influence business decisions or cause others to perceive an influence.

6. Gift, Entertainment and Hospitality (Cont'd)

(a) Receiving of Gift, Entertainment and Hospitality

Business relationships occasionally involve the offer and receipt of business courtesies – for example, gift, meals, tokens of appreciation and gratitude and invitations to social gathering events. It is never permissible to provide or accept any business courtesy for a corrupt or improper purpose. However, when presented with such courtesy by external parties, employees are required to explain the “No Gift Policy” beforehand and determine whether it is appropriate to accept the business courtesy.

Despite acknowledging “No Gift Policy”, some of the external parties may still insist in offering/ providing gifts. These require a strict process of approvals by the Managing Director. Gift is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever the business relationship with the External Party.

Limited circumstances are also inclusive of exchange of business courtesies, such as gifts, and entertainment (including meals, or parties) during festive periods as it is customary and legitimate to create goodwill and strengthening of business relationships.

In these limited circumstances where a gift is allowed to be accepted, the employee is required to first assess if the items fulfils the criteria as outlined in this anti-bribery policies and procedures, follow by the declaration in accordance with the Company’s “Gift, Entertainment and Hospitality Standard Operating Procedures”.

6. Gift, Entertainment and Hospitality (Cont'd)

(a) Receiving of Gift, Entertainment and Hospitality (Cont'd)

Who are external parties?

The term “external parties” is a broad one. It includes competitors, agents, vendors, customers, suppliers, contractors, consultant, business officials, government officials, intermediaries and etc.

Receiving of Gifts/ Entertainment/ Hospitality is only appropriate if the following criteria has been fulfilled:

- Aligned with FLB’s policies and procedure;
- Aligned with law and regulations;
- The value of gift/ entertainment/ hospitality received is not more than RM1,000;
- The sender is not involved in making business decision; and
- The sender is not able to influence the receiving party.

(b) Provision of Gift, Entertainment and Hospitality

Employees are not allowed to give any gifts, either directly or indirectly, regardless of value, to any officer, staff and/or whoever the employee is dealing with. However, unsolicited gifts are permissible if they are customary and commonly exchanged among business parties as business courtesies such as pens, calendars, notebook, cardholder and t-shirts.

Throughout the course of business, occasion may arise where the company may provide business courtesies such as inviting external parties and its stakeholders to events, meals and entertainment organized or sponsored by the Company throughout the course of business, be it through corporate, cultural or sporting events, to build goodwill in business relationships and strengthening of business relationships.

6. Provision of Gift, Entertainment and Hospitality (Cont'd)

(b) Provision of Gift, Entertainment and Hospitality (Cont'd)

In these limited circumstances where a gift, entertainment or hospitality is allowed to be given, the employee is required to first assess if the items to be given fulfils the criteria as outlined in the anti-bribery policies and procedures, follow by the declaration in accordance with the Company's "Gift, Entertainment and Hospitality Standard Operating Procedures" .

Giving of Gifts/ Entertainment/ Hospitality is only appropriate if the following criteria has been fulfilled

- Aligned with FLB's policies and procedure;
- Aligned with law and regulations;
- The value of gift/ entertainment/ hospitality offered is not more than RM1,000;
- The recipient is a legitimate organization;
- The recipient does not have affiliations with a Public Official; and
- The recipient is not involved in making business decision.

7. Facilitation payments

Facilitation payments are a form of bribery made to speed up or facilitating the performance of a public official for governmental action. Some of the types of facilitation payments are as below:

- (a) Payments made for the clearance of goods through customs to avoid excessive delay;
- (b) Payments to expedite the application of governmental documents; and
- (c) Payment to expedite the approvals or for delivery of services.

Facilitation payments is prohibited except for, at any stage when circumstances are such that there is a threat of physical violence, loss of liberty or some unavoidable adverse effect to the employees if the facilitation payment is not paid.

7. Facilitation payments (Cont'd)

Employees are reminded not to offer, promise, give, request, accept or receive any such payments. Any request for facilitation payment under which circumstances should be reported immediately to the Anti-Bribery Officer and notify the Managing Director

according to the Company's Whistle Blowing Policy. The Anti-Bribery Officer will proceed according to procedures laid out in the "Facilitation Payment Standard Operating Procedures".

In the event where there is option of regular government-provided service for processing of urgent application which its rates are publicly published by the government, payment of such services with an official receipt received, is not considered as Facilitation Payment.

8. Political contributions

FLB do not make contributions, whether in cash or cash equivalents items, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

9. Donations and Sponsorship

Charitable support/sponsorship and donations are acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that donations and sponsorship are not used as a scheme to conceal bribery. FLB only make donations and sponsorship that are legal and ethical under local laws and practices.

The contributions can only be made provided the following criteria are fulfilled:

- (a) It is not political contribution;
- (b) The beneficiary is registered with the Registrar of Society ("ROS");
- (c) The purpose of contribution is in line with the Company's Sustainability Policy;
- (d) It is adhering to all the applicable law and regulations;

9. Donations and Sponsorship (Cont'd)

- (e) The provision is reasonable in which the donations/sponsorship would not be interpreted as questionable, controversial or negatively reflecting on FLB's reputation; and
- (f) Cash donations should be avoided.

All donations or sponsorship must be carried out according to Company's "Donation and Sponsorship Standard Operating Procedures".

10. Record Keeping

FLB must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to external parties.

All Employee must keep a written record of any receipt and provision of gifts, entertainment and hospitality, donations, sponsorships and facilitation payment which will be subject to managerial review.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts are to be kept "off-book" to facilitate or conceal improper payments.

11. Recruitment of personnel

FLB is committed to actively managing diversity as a mean of enhancing the Company's performance by recognizing and utilizing the contribution of diverse skills and talent from its directors, officers and employees.

Diversity involves recognizing and valuing the unique contribution people can make because of their individual background, different skills, experiences and perspectives. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. The Company values the differences between its people and the contribution these differences make to the Company.

11. Recruitment of personnel (Cont'd)

(a) Appointing new Board of Director

FLB's Nomination Committee will ensure appropriate selection criteria based on diverse skills, experience and perspectives is used regardless of age, gender, ethnicity, cultural background or other personal factors when hiring new Board member.

There will be no preference given to male applicants for a position and will ensure that any women with appropriate experience and qualifications are considered equally in the recruitment and selection process.

Potential candidate for directors could be sourced by the online website or by the recommendations of board members.

Interview is conducted by Nomination Committee and the recruitment of board member should be based on appropriate criteria to ensure that only the most qualified and suitable individuals are employed.

(b) Recruiting new employee and promoting existing employees

Human Resource Department will ensure appropriate selection criteria based on diverse skills, experience and perspectives is used regardless of age, gender, ethnicity, cultural background or other personal factors when hiring new employee.

Potential candidate for employee could be sourced by the online website or recommends by internal employee.

Interview is conducted by Human Resource Department and the recruitment of new employee should be based on appropriate selection criteria to ensure that only the most qualified and suitable individuals are employed.

FLB has formalised the Employee Performance Evaluation process to assess the existing employee on annual basis in order to ensure a merit-based approach is applied to the promotion of employees.

12. Dealing with Business Associates

FLB expects that Business Associates acting for or on its behalf to share the Company's values and ethical standards according to FLB's Code of Conduct and Ethics as their actions may impact FLB reputation.

Business associates includes supplier, vendors, contractors, consultants, agents, representatives, and other intermediaries who are performing work or services, for and on behalf of FLB.

All forms of bribery and corruption are unacceptable and will not be tolerated. When dealing with business associates. FLB reserve the rights to terminate its relationship with the Business Associate in the event that the Business Associate fails to comply with the anti-bribery policies and procedures established by FLB.

(a) Appointing of General Supplier

During the appointment process of general supplier, FLB will carry out proper assessment on potential general supplier based on the information gathered and obtained. Proper due diligence will be carried out on the supplier in accordance with the Company's Purchasing Standard Operating Procedures.

(b) Appointing of Major Supplier, Vendor and Contractor

During the appointment process of all major supplier, vendor and contractor, FLB will carry out proper assessment based on the information gathered and obtained. Proper due diligence will be carried out on major supplier, vendor and contractor in line with the Company's Purchasing Standard Operating Procedures to ensure that these business associates fulfil the acceptable standards of integrity in the conduct of their business.

12. Dealing with Business Associates (Cont'd)

(c) Appointing of Sales Agent

Potential candidate for sales agent could be sourced by the online website or internal recommendation.

The appointment process of sales agent is guided by the Company's "Standard Operating Procedures on Due Diligence Check before Appointing Sales Agent" to ensure appointment process are carried out properly.

FLB may terminate its relationship with any sales agent that does not comply with FLB Anti-Bribery and Anti-Corruption Policy.

13. Awareness and training

FLB will conduct awareness programmes for all existing employees and sales agent to create awareness of anti-bribery and anti-corruption measures, and to continuously promoting integrity and ethics on regular basis.

In addition, FLB will also provide Anti-Bribery and Anti-Corruption training on this policy as part of the induction process for all new employees and sales agent.

Anti-Bribery and Anti-Corruption policy shall be clearly communicated to all suppliers, contractors, business partners, and any third-parties at the outset of business relations, and as appropriate thereafter.

14. How to raise a concern

Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each Employee has a responsibility to ensure that suspected bribery and corruption incidents are reported immediately.

Employee can report to the Anti-Bribery Officer, or report it to Chairman of the Board; or Audit Committee Chairman in accordance with FLB's Whistleblowing Policy immediately.

The details of the FLB's Whistleblowing Policy is available at <https://www.focuslumber.com.my/investors/4>

15. Penalty

Offence by commercial organization

Any commercial organization who commits an offence shall be liable, under Section 17A(2) of MACC Act 2018, to a fine of not less than ten times the sum or value of the gratification which is the subject matter of the offence, where such gratification is capable of being valued or is of pecuniary nature, or one million ringgit, whichever is the higher, or to imprisonment for a term not exceeding twenty years or both.

16. Monitoring and review

FLB will establish and put in place appropriate performance measures and reporting systems to monitor performance against metrics and compliance with the relevant policies, procedures and controls.

The anti-bribery officer shall monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

The Board shall monitor the FLB's commitment level to the Anti-Bribery and Anti-Corruption Policy and review the bribery framework at least once every 3 years to ensure that it continues to remain relevant and appropriate of this policy.

This policy is approved by the Board of Directors on 16 April 2026.

17. "RED FLAGS"

The following is a list of possible red flags that may arise during the course of your work for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to the Anti-Bribery Officer:

- (a) You become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
- (b) If the Third Party refuses to divulge adequate information during due diligence procedure;
- (c) You learn that a Third Party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a 'special relationship' with government officials;
- (d) A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (e) A Third Party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (f) A Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
- (g) A Third Party requests an unexpected additional fee or commission to 'facilitate' a service;
- (h) A Third Party demands lavish Gifts before commencing or continuing contractual negotiations or provision of services;
- (i) A Third Party demands Invitations to lavish and excessive events, meals, entertainment or hospitality that would be illegal or in breach of laws and regulation which may adversely affect the reputation of FLB;

17. "RED FLAGS" (Cont'd)

- (j) A Third Party requests that a payment is made to 'overlook' potential legal violations;
- (k) A Third Party requests that you provide employment or some other advantage to a friend or relative;
- (l) A Third Party requests that you make a political contribution or donation to the party or charity of their choice before agreeing to undertake a business relationship with the Company;
- (m) You receive an invoice from a Third Party that appears to be non-standard or customized;
- (n) A Third-Party refuse to put terms agreed in writing;
- (o) You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (p) A Third Party requests or requires the use of an Agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (q) You are offered an unusually generous gift or offered lavish hospitality by a Third Party.