

1. DEFINITIONS

"Board"	- the Board of Directors of the Company
"Policy"	- Anti-Bribery & Anti- Corruption Policy
"Company"	- Hua Yang Berhad
"CEO"	- Chief Executive Officer
"CFO"	- Chief Financial Officer
"Directors"	- Directors of the Group
"Senior Management"	- Senior management personnel of the Company
"Employee and Employees"	- any employee of the Group and shall include contract, secondment, temporary employees and interns.
"Family Members"	- include Director's or employee's spouse, parent, child (including adopted child and step child), brother, sister and the spouse of his / her brother or sister or child
"Hua Yang Group" or "Group"	- Hua Yang Berhad and its subsidiaries;

2. INTRODUCTION

- 2.1 Hua Yang Group is committed to maintaining a high standard of code of conduct and business ethics to create an environment of mutual trust whilst increasing the confidence of our stakeholders, shareholders and most importantly, the public at large.
- 2.2 All Directors and Employees (whether acting in their own capacity or on the Group's behalf) must refrain themselves from offering, giving or receiving any gifts and any other form of benefits in-kind, cash, advantages and/or favour and etc) from persons or entities who deal with the Group where the gift would reasonably be expected to influence the performance of the Director's or Employees duties in any aspect.
- 2.3 All Directors and Employees must comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption (Amendment) Act 2018, effective 1 June 2020 (collectively "the MACCA"), and any other laws, regulations, rules, guidelines and/or directives in regards to our conduct both in Malaysia and abroad.
- 2.4 All Directors and Employees must not directly or indirectly be involved in any corrupt conduct, which include but not limited to the abuse of position / authority and falsification of documents.

- 2.5 All Employees including Directors must also refrain from any activity or behaviour that could give rise to the perception or suspicion of any corrupt conduct or the attempt thereof. Promising, offering, giving or receiving any improper advantage in order to influence the decision of the recipient or to be so influenced may not only result in disciplinary action but also in criminal charges by the relevant authorities.
- 2.6 All Employees including Directors shall not suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes even if such refusal may result in the company losing its business or not meeting the targets.
- 2.7 Solicitation and acceptance of bribes in any form or manner is a serious misconduct and may result in disciplinary action but also in criminal charges by the relevant authorities.

3. PERSONS AFFECTED BY THIS POLICY

- 3.1 This Policy applies to all employees of the companies within the Hua Yang Group, no matter where our subsidiary or employees are located.
- 3.2 This includes all individuals working within the Hua Yang Group, including Directors, and Employees (whether full-time, part-time, contract or temporary), and external parties such as consultants, contractors, sub-contractors, trainees, seconded staff, volunteers, interns, agents, representatives, sponsors, suppliers, customers, or any other person or persons associated with us (including third parties) (collectively referred to as "External Party").

4. ACTS OF BRIBERY AND CORRUPTION DEFINED

- 4.1 What constitutes bribery and corruption are defined in the MACCA. Without generalising the meanings given in the MACCA, and for ease of reference, below are what each of these acts generally mean:
 - 4.1.1 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision in order to gain commercial, contractual, regulatory or personal advantage.
 - 4.1.2 Corruption refers to dishonest behaviour by those in positions of power for private gain, or for business purposes. This would include acts of receiving or giving bribes, diverting funds, defrauding investors, under-table arrangements and inappropriate giftings.
 - 4.1.3 Facilitation payments refer to sums of money unofficially paid to secure or expedite a routine government action by a government official.
 - 4.1.4 Kickbacks refer to an additional sum of money paid to a bribe-taker as a reward for a business favour or advantage given.
 - 4.1.5 Bribery and corruption in any form is illegal under the MACCA. Therefore, employees **MUST NOT** engage in any of these activities, be it directly, passively, or through a third party (such as an agent, supplier or distributor). They **MUST NOT** bribe a public official or accept bribes in

any degree. If uncertain about whether something is a bribe or a gift or an act of hospitality or a charitable act, they must seek further advice from the relevant employee's immediate superior or Head of Department or Human Resource Department.

5. PERMISSIBLE AND NON-PERMISSIBLE ACTS

5.1 GIFT AND ENTERTAINMENT

- 5.1.1 Extravagant entertainment, including gifts are not permitted and should not form the basis of any business transaction with the Group as the Group seeks to promote business relationship based on merit, integrity and transparency.
- 5.1.2 Every Director or employee is not permitted to accept cash gifts and should also reject non-cash gifts or gifts in-kind. However, items that are distributed as part of Company's public relations efforts or promotions campaign may be accepted if they are of nominal value and on festive occasions only. Generally, the practice of giving and receiving gifts is discouraged.
- 5.1.3 Every Director or employee should not accept gifts in the form of air tickets, gift certificates or any other similar payments. Other gifts in this category include loan or cash advance, materials, services, repairs or improvements/upgrades at no cost or nominal cost, etc. A breach in this respect may lead to the termination of service of the Director or Employee and the relationship between the Company and the business associate involved. Gifts accepted by any Director or employee should be declared and surrendered to the Admin / Branch Manager, where a register of such gifts is kept. A copy of the Declaration form shall be extended to Admin for record purposes.
- 5.1.4 Any entertainment must have a transparent business objective, must not be extravagant and must be within the means of being reciprocated by the Director or employees within the parameters of this entertainment policy and must not prejudice any business transaction.

5.2 FACILITATION PAYMENTS AND KICKBACKS

- 5.2.1 The Board recognises that facilitation payments and kickbacks are forms of bribery. Therefore, no employee is to accept, or make, any form of facilitation payments of any nature.
- 5.2.2 Similarly, kickbacks are categorically not allowed to be made or accepted.
- 5.2.3 The Board recognises that, despite its strict policy on facilitation payments and kickback, employees may face a situation where avoiding a facilitation payment may threaten his or her personal security or cause serious and immediate damage to the property of the Company. Under these circumstances, the employee must do the following:
 - (i) immediately report the incident and obtain the approval for such payment from the CEO/Senior Management or in his/her absence, the CFO of the Company;

(ii) create a record detailing the amount and reason for the payment, the record of which shall be kept in the office of the CFO.

5.3 DONATIONS AND SPONSORSHIPS

- 5.3.1 Donations and sponsorships are part of the Group's commitment to society and a way of contributing to worthy causes. Unfortunately, even legitimate donations and sponsorships sometimes have the risk of creating the appearance of bribery and corruption.
- 5.3.2 All Employees including Directors must ensure that all donations and sponsorships on behalf of the Group are given through legal and proper channels. Particular care must be taken in ensuring that the charities or sponsored organisations on the receiving end are valid bodies and are able to manage the funds properly.
- 5.3.3 All Directors and Employees should also avoid situations where conflict of interests could arise from making donations or sponsorships and should always beware of making contributions to charities or sponsored organisations that may have links to government officials or their families, as this could be seen as an act to influence the official's decision in gaining benefit to the Company.
- 5.3.4 Prior approval in accordance with established procedures should be obtained before making donations or sponsorships on behalf of the Group. Approved donations and sponsorships should be made transparently and recorded accurately.

5.4 POLITICAL CONTRIBUTION

- 5.4.1 Unless otherwise approved by the Board, no contributions, whether in cash, kind or by any other means, shall be made to support any political parties or candidates, so as to avoid any perception that such payments are being made as an attempt to gain an improper business advantage.
- 5.4.2 Whilst employees may personally make political contributions, Hua Yang Group will not make any reimbursement for these personal political contributions to its employees.

5.5 PROCUREMENT/TENDER PROCESS

- 5.5.1 Hua Yang Group has processes and adheres to systems of internal controls around supplier and vendor selections. These selections must never be based on receipt of any gifts, payments or favours treatments.
- 5.5.2 Supplier or vendor selection for the supply or purchase of goods and services will be based on at least three quotations for selection. As for construction related project, the tender will be set out, and it is important to ensure that the tender process is transparent and void of corrupt practices, and that documentation supporting the tender processes is maintained accurately.

5.5.3 A tender process, where appropriate and/or applicable, includes an invitation for other parties to make a proposal, on the understanding that any completion for the relevant contract must be conducted in response to the tender. Neither should any party have an unfair advantage, nor any separate or prior close-door negotiations for the contract. All bidding processes must be transparent and open to all qualified bidders, and shall be open for scrutiny, and chosen on the basis of price and quality.

5.5.4 Due diligence of new suppliers in a selection process should include enquiries into the vulnerability of the Hua Yang Group to corruption or bribery risk(s) dealing with such potential suppliers. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved. If it is not possible then the supplier must be barred from being a supplier or disqualified from participating in any tender exercise.

5.6 FAIR BUSINESS ENGAGEMENT OF COMMERCIAL PARTIES

5.6.1 Before engagement or renewal of engagement of Commercial Parties, Director must ensure that proper due diligence and screening are carried out to ensure that the Commercial Parties are bona fide and legitimate entities who are qualified for the purpose of engagement and maintain appropriate ethical and reputational standards.

5.6.2 Management must also consider the following before engagement or renewal of engagement of Commercial Parties:

- reputation;
- existence of any past misconduct (e.g. crimes or scandals);
- experience, expertise and technical capabilities;
- presence of unclear accounting and financial charges or settlements;
- unusual requests or suspicious traits which may suggest bribery or corruption;
- knowledge, awareness and commitment to compliance, including Anti-Bribery Laws; and
- presence of Potential Conflict of Interests in Employees involved in the recommendation or the sourcing, evaluation, selection and engagement of Commercial Parties.

6. EMPLOYEE RESPONSIBILITIES

6.1 All employees of the Hua Yang Group must ensure that they have read, understood, and agree to familiarise and comply with the information contained within this Policy, and with any training or other anti-bribery or anti-corruption information given or initiatives undertaken by Hua Yang Group on matters relating to this Policy.

6.2 All employees and those under the control of the Hua Yang Group are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption that he or she becomes aware of. They are to avoid any activities that could lead to, or imply, a breach of this Policy and the relevant laws and regulations governing anti-bribery and anti-corruption activities, so as not to expose

themselves nor the Hua Yang Group to the risk of liability under the MACCA or any other similar laws in jurisdictions where the Hua Yang Group operates its businesses.

- 6.3 If an employee has reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future, that will violate the provisions of this Policy or anti-bribery or anti-corruption laws and regulations, he or she **MUST** report this to the relevant Hua Yang Group company's Executive Director or the Chairman of Hua Yang Group's Audit Committee as soon as is practicable, in accordance with the Whistleblower Policy. If an External Party wishes to make a similar report, the External Party may use the applicable channel of reporting as set out in Whistle-Blower Policy.
- 6.4 If any employee breaches this Policy, he or she will face disciplinary action, and could face dismissal for gross misconduct, in addition to the ramifications of applicable laws and regulations in respect of his or her illegal actions. Hua Yang Group also reserves the right to seek recourse against such employee in the event that the illegal act(s) of the employee, notwithstanding Hua Yang Group's best efforts to mitigate such incidents, results in a liability for Hua Yang Group or any of the group companies under the relevant laws or regulations governing anti-bribery and anti-corruption activities.

7. PROTECTION

- 7.1 Employees who refuse to accept or offer to engage in bribery or corrupt acts, or those who raise concerns or who report another's potential act(s) of bribery or corruption, are sometimes worried about the potential repercussions.
- 7.2 Under the Whistleblowing Policy, the Board assures all employees of the Hua Yang Group that it will support anyone who raises concerns in good faith under this Policy, even if investigation and due inquiry into the matter find that it was a mistake or unfounded.
- 7.3 The Board will further 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 they reported a concern relating to act(s) or potential act(s) of bribery or corruption.
- 7.4 Detrimental treatment refers to dismissal, disciplinary action, or unfavourable treatment in relation to the concern raised.
- 7.5 If an employee has reason to believe that he or she has been subjected to detrimental treatment as a result of a concern raised or a refusal to accept a bribe, his or her immediate superior, or Head of Department, or Hua Yang Group's Human Resource Department must immediately be notified.
- 7.6 Please refer to the Company's Whistleblowing Policy for further information on how to report violations or suspected violations of this Policy.

8. TRAINING AND COMMUNICATION

- 8.1 It is one of the requirements of all new employees of Hua Yang Group to sign-off on acknowledge and understand on this Policy as part of the induction process. Employees will further receive regular, relevant training on how to adhere to this Policy, and where deemed necessary.
- 8.2 This Policy and the Board's zero-tolerance stance on bribery and corruption activities in the Hua Yang Group business operations and dealings will be clearly communicated and emphasised to all suppliers, contractors, business partners, and other third parties at the outset of any business relationships with such parties, and as appropriate thereafter.
- 8.3 The Board will ensure that relevant anti-bribery and corruption training will be provided to all levels of employees where it is felt that knowledge on how to comply with this Policy and with the relevant laws and regulations on the matter needs to be enhanced, and where there is a high risk or potential risk of facing bribery or corruption in undertaking their responsibilities.

9. RECORD KEEPING

- 9.1 The Hua Yang Group will maintain detailed and accurate records, financial or otherwise, and have appropriate internal controls in place to act as evidence for all payments made to, or payments received from third parties.
- 9.2 All expense claims relating to gifts, entertainment, donations or charitable contributions incurred, or any matters of value accepted or given, must be submitted, together with the necessary documentations, for approval by the Chief Executive Officer/Senior Management, in his/her absence CFO of the Hua Yang Group, where required.
- 9.3 All accounts, invoices, memoranda and other documents and records relating to business dealings with third parties, such as customers, suppliers, vendors, distributors and agents, must be prepared and maintained with strict accuracy and completeness. No accounts must be kept off the records or off the books to facilitate or conceal improper payments.

10. REVIEW

This Policy shall be reviewed by the Board every three (3) years or as required when internal or external events warrant a more frequent review to be undertaken.

BY ORDER OF THE BOARD OF DIRECTORS

Chairman
Board of Directors of Hua Yang Berhad