

YEW LEE PACIFIC GROUP BERHAD

[Registration No. 202001036243 (1392564-D)]

Incorporated in Malaysia

ANTI-BRIBERY & CORRUPTION POLICY

TABLE OF CONTENTS

Section	Contents	Page
1.0	INTRODUCTION	1
2.0	DEFINITION OF BRIBERY, CORRUPTION AND GRATIFICATION	1
3.0	TOP LEVEL COMMITMENT	2
4.0	RISK ASSESSMENT	3 - 5
5.0	CONTROL MEASURES	
5.1	Due Diligence	6
5.2	Reporting Channel	6
5.3	Conflicts of Interest	7
5.4	Gifts, Entertainment, Hospitality, Travel Benefits, Donations, Sponsorships and Facilitation Payments	7-9
5.5	Money Laundering	9
5.6	Financial Controls	10
5.7	Non-financial Controls	11
5.8	Procedures for Reported/Observed Incidents	11
5.9	Records Keeping	11
6.0	SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT	12
7.0	TRAINING AND COMMUNICATION	
7.1	Communication of ABCP	12
7.2	Training	12
8.0	CONSEQUENCES	13

1.0 INTRODUCTION

Yew Lee Pacific Group Berhad (“the Company”) is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption. We are committed to act professionally, fairly, and with integrity in all business dealings and relationships, wherever we operate as well as complying with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 (Amendment Act 2018) (“MACCA”).

This Anti-Bribery and Corruption Policy (“ABCP”) provides guidance to all employees and directors concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The ABCP applies to all employees and directors (both executive and non-executive) and the Company shall expect that sub-contractors performing work or services for or on behalf of the Company will comply with the relevant parts of the ABCP when performing such work or services.

2.0 DEFINITION OF BRIBERY, CORRUPTION AND GRATIFICATION

Corruption is a form of dishonesty or criminal offense undertaken by a person or organisation entrusted with a position of authority, to acquire illicit benefit or abuse power for one’s personal gain.

Bribery is a subset of corruption. Bribery typically involve some form of transaction or transfer of value in exchange for doing something or refusing to do something. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Gratification refers to: -

- (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 or disability incurred or apprehended or from any action or proceedings of a 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).

3.0 TOP LEVEL COMMITMENT

Senior Management of the Company holds a zero-tolerance position against all forms of bribery and corruption. This means all employees and directors are required to work in a bribe and corruption free environment while sub-contractors, business associates and parties engaged with the Company shall embrace with the integrity stance of the Company.

Senior Management of the Company is primarily responsible for ensuring that the Company: -

- (i) practices the highest level of integrity and ethics;
- (ii) complies fully with the applicable laws and regulatory requirements on anti-corruption; and
- (iii) effectively manages the key corruption risks.

Meanwhile, Senior Management shall spearhead the Company's efforts to improve the effectiveness of its corruption risks management framework, internal control system, review and monitoring, and the relevant training and communication initiatives.

In view of the above, the Company shall carry out the following: -

- (i) establish, maintain, and periodically review the ABCP and objectives that adequately address corruption risks;
- (ii) promote a culture of integrity within the Company;
- (iii) issue instructions on communicating the Company's ABCP and commitments on anti-corruption to both internal and external parties;
- (iv) encourage the use of reporting (whistleblowing) channel as stated in Section 5.2 of this ABCP for any suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance efforts; and
- (v) ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to all Senior Management, including the full Board of Directors, and acted upon.

4.0 RISK ASSESSMENT

4.1 Corruption Risk Management (“CRM”)

The Company shall adopt CRM. CRM is a management process that helps to identify structural weaknesses that may facilitate corruption, provides a framework for all employees to take part in identifying risk factors and treatments, and embeds corruption prevention within the Company’s operating environment.

CRM adopts a structured corruption risk assessment process. The corruption risk assessment should form the basis of the Company’s anti-corruption efforts. As such, the Company shall conduct corruption risk assessments periodically and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks. This risk assessment should be used to establish appropriate processes, systems and controls approved by the Senior Management to mitigate the specific corruption risks.

Employees/directors shall be guided with the corruption risk assessment process as follows: -

Step 1: Identification

Identify the corruption risk scenarios that may arise, determine the root cause and inherent risk on the risk scenarios that arise.

Step 2: Measurement

Measure the inherent risks identified by assessing the impact and likelihood of occurrence, assign risk rating for each identified risk thereafter referring to risk matrix below: -

Likelihood of Occurrence	Almost certain	Significant	Significant	High	High	High
	Likely	Moderate	Significant	Significant	High	High
	Possible	Low	Moderate	Significant	High	High
	Unlikely	Low	Low	Moderate	Significant	High
	Rare	Low	Low	Moderate	Significant	Significant
		Insignificant	Minor	Moderate	Major	Critical
		<i>Magnitude of Impact</i>				

Likelihood of Occurrence

Likelihood	Indication
Rare	- low probability, occur only in exceptional circumstances - approximately < 5% chance of occurring in the next 12 months
Unlikely	- little probability, could occur at some time - approximately < 25% but > 5% chance of occurring in the next 12 months
Possible	- some probability, might occur half of the time - approximately < 50% but > 25% chance of occurring in the next 12 months
Likely	- will probably occur in most circumstances - approximately < 95% but > 50% chance of occurring in the next 12 months
Almost Certain	- high probability, is expected to occur in most circumstances - approximately > 95% chance of occurring in the next 12 months

4.0 RISK ASSESSMENT (CONT'D)

4.1 CRM (Cont'd)

Magnitude of Impact

Impact	Indication
Insignificant	<ul style="list-style-type: none"> - business process and planned activities are not disrupted - no impact on the Company's reputation and the Management's integrity - do not attract media attention - no penalty
Minor	<ul style="list-style-type: none"> - business process and planned activities are lightly disrupted - light impact on the Company's reputation and the Management's integrity - do not attract media attention - minimal penalty, may receive notice of violation or warnings
Moderate	<ul style="list-style-type: none"> - business process and planned activities are moderately disrupted - moderate impact on the Company's reputation and the Management's integrity - some loss of public trust - attract negative media attention - moderate penalty, may subject to regulatory proceedings
Major	<ul style="list-style-type: none"> - business process and planned activities are significantly disrupted - significant impact on the Company's reputation and the Management's integrity - loss of public trust - attract negative media attention - substantial penalty, may subject to criminal charges and/or regulatory proceedings
Critical	<ul style="list-style-type: none"> - business process and planned activities are totally disrupted - extremely serious impact on the Company's reputation and the Management's integrity - severe loss of public trust - attract negative media attention - substantial penalty, subject to criminal charges and regulatory proceedings

Risk Rating

Rating	Course of Actions
Low	<ul style="list-style-type: none"> - manageable risks where controls are working as intended - no further action plan needed - continuous monitoring
Moderate	<ul style="list-style-type: none"> - manageable risks where controls are working as intended - additional prevention measures may be identified - continuous monitoring
Significant	<ul style="list-style-type: none"> - risk must be observed at all time - existing controls may not effective, additional prevention and control measures must be identified - superior must be updated about the issue on monthly basis
High	<ul style="list-style-type: none"> - risk must be observed at all time - existing controls are not effective, additional prevention and control measures must be identified - superior must be updated about the issue on weekly basis - involve external control mechanism/institution

4.0 RISK ASSESSMENT (CONT'D)

4.1 CRM (Cont'd)

Step 3: Control

Existing controls documented in operating manuals and various policies should be reviewed and physical controls should be tested with walkthrough test.

The effectiveness of the existing controls can be evaluated as follows: -

Rating	Condition
Effective	- controls are strong and operating properly, - provide a reasonable level of assurance that objectives are being achieved
Moderate	- some control weaknesses/ inefficiencies have been identified - no serious risk exposure but improvements are required to provide reasonable assurance that objectives will be achieved
Weak	- controls do not meet an acceptable standard, many weaknesses/ inefficiencies existed - controls do not provide reasonable assurance that objectives will be achieved

Additional preventive and detective control measures are required to be identified for risks that are ranked significant and high as well as those existing controls that are ineffective.

Step 4: Monitor

The identified risks should be monitored and checked periodically and update when necessary.

4.2 Corruption Risk Assessment

The Company has performed a corruption risk assessment and recorded the potential corruption risk scenarios and the relevant mitigation controls. Employees/directors are required to understand clearly and adhere to the relevant actions required in the event you encounter similar incident. However, the list may not be exhaustive, you shall consult your immediate superior or communicate via the reporting channel as stated in Section 5.2 of this ABCP in the event you are uncertain of the situation encountered.

[Remaining of this page is left blank intentionally]

5.0 CONTROL MEASURES

This section covers the Company's control measures to address any corruption risks arising from weaknesses in the organisation's governance framework, processes and procedures as well as policies and procedures in dealing with potential bribery and corruption risk areas.

5.1 Due Diligence

The Company shall conduct due diligence on potential or existing clients, business associates, sub-contractors, workforce candidates and any other party deemed necessary prior to entering into any formalised relationships and/or as and when there are changes in the circumstances, in particular where there is significant exposure to bribery and corruption risk.

Due diligence methods for background checks may include: -

- (i) Conduct web searches;
- (ii) Conduct searches in Companies Commission of Malaysia ("CCM");
- (iii) Conduct searches in external databases and screening tools/solutions (i.e. CTOS, Thomson Reuters);
- (iv) Verify supporting documents;
- (v) Conduct interviews; and/or
- (vi) Engage third party due diligence service providers.

Due diligence process should be aimed at obtaining sufficient information to assess whether there are any potential bribery risks posed by the relevant party. Based on the results, we may either decline, suspend or terminate relationship with the relevant party to protect the Company from any legal, financial and reputation risks.

Employees are required to complete and submit the due diligence checklist to relevant Director for decision making and forward the same to Finance Department for record keeping purpose thereafter.

5.2 Reporting Channel

As this ABCP is unable to provide employees with comprehensive solutions to every potential bribery or corruption situation that may arise, employees may discuss the situation with their manager, who will consult with the director and/or then if necessary, with the Managing Director for any ethical or legal problems.

Employees or any concerned parties are encouraged to assist in detect, prevent and report instances of bribery, corruption and any other suspicious activity or wrongdoing in good faith. All parties are able to raise concerns in relation to real, suspected or attempted corruption incidents or inadequacies of the anti-corruption programme and email to the designated email address at whistleblowing@yewlee.com.my.

Employees or any concerned parties may refer to the Whistle Blowing Policy of the Company for the whistle blowing procedures.

The Company is committed to ensure the confidentiality of the whistleblower's identity and the information reported, to the extent reasonably practicable while prohibit retaliation against those making reports in good faith, to the extent reasonably practicable.

5.0 CONTROL MEASURES (CONT'D)

5.3 Conflict of Interest

Conflict of interest arises in a situation where the employee is or may be in a position to take advantage of their role by using confidential information, assets or intellectual property for the benefit of himself/herself or a closely related person. Closely related person is someone you are related to, have personal friendship with, or anyone living in the same household as you. Based on the MACCA, relative includes spouse, siblings, spouse's siblings, direct line of ascendant (parent/grandparents) or descendant (children/grandchildren) including the spouse's and the spouse's siblings, uncle, aunt or cousin, son-in-law or daughter-in-law.

All employees/directors are required to make declaration on conflict of interest on an annual basis or as and when they become aware of a conflict at any other time (ad-hoc basis). Senior management shall determine the next course of action thereafter. Employees/directors may refer to the Company's Code of Conduct and Ethics for conflict of interest situations examples.

Annual Conflict of Interest Declaration Form and Benefits Declaration Form shall be kept by the Human Resources ("HR") Department.

5.4 Gifts, Entertainment, Hospitality, Travel Benefits, Donations, Sponsorships and Facilitation Payments

The Company is committed to conducting business with integrity and in compliance with all applicable anti-bribery and corruption laws.

Employees and directors, including their family members or any third parties acting on behalf of the Company, are strictly prohibited from offering, giving, receiving or soliciting any form of benefit or advantage that may influence or appear to influence business decisions.

This included (but is not limited to):

- Gifts
- Entertainment
- Corporate hospitality
- Travel benefits
- Donation and sponsorships
- Facilitation payments

5.4.1 General Prohibition

Under no circumstances should the following be offered or accepted:

- Cash or cash equivalents (e.g. bonds, loans, securities).
- Personal benefits such as holidays, accommodation, or luxury items.
- Any benefits intended to obtain business advantage.

All such actions may be construed as bribery and are strictly prohibited.

Permissible Benefits (Subject to Conditions)

The following may be allowed only if they are legitimate, reasonable, and not intended to influence business decisions, and do not create actual or perceived conflict of interest:

- a. Token Gifts
 - Nominal value (below MYR500 / THB5,000).

5.0 CONTROL MEASURES (CONT'D)

- Customary or festive in nature.
 - Not compromising or influential.
- b. Entertainment & Hospitality
- Reasonable and proportionate.
 - For legitimate business purposes.
 - Not frequent, excessive or lavish.
- c. Travel Benefits
- Strictly for business purposes.
 - No personal or leisure elements.
 - Prior approval required (especially involving public officials).
- d. Donation & Sponsorships
- Must be for legitimate charitable or business purposes.
 - Must comply with applicable laws (including anti-money laundering and anti-terrorism laws).
 - Must not be used as disguised form of bribery.
 - Must not be made to secure business advantage.

The Company strictly prohibits political donations, whether monetary or in-kind, to political parties, officials or candidates.

Any exception (e.g. lawful contributions to government entities) must:

- Be permitted by law.
- Not be made to any individual.
- No involve expectation of favourable treatment.
- Be properly recorded in the Company's accounts.

All donations and sponsorships require:

- Due diligence assessment.
- Prior approval from the Managing Director.

5.4.2 Strictly Prohibited Conduct

Employees and directors must not:

- Offer or accept any benefit with intent to improperly influence decisions.
- Provide or accept anything illegal or in breach of anti-bribery laws.
- Engage in lavish, excessive, or reputation -damaging activities.
- Create actual or perceived conflict of interest.

Any such offers must be politely declined.

5.4.3 Facilitation Payments

Facilitation payments are strictly prohibited.

These are payments or benefits given to:

- Expedite routine actions.
- Influence public officials or decision makers.
- Obtain improper business advantage.

Facilitation payments may be in cash or non-cash form and are illegal under anti-corruption laws.

5.0 CONTROL MEASURES (CONT'D)

If any facilitation payment is:

- Requested, or
- Unavoidably made (e.g. under duress).

Employee must:

- Report immediately to the Managing Director.
- Ensure the Finance Department records the incident in detail.

Public Officials

Any dealing involving public official must:

- Be strictly for legitimate purposes.
- Comply with applicable laws.
- Obtain prior approval from the Head of Department.

Declaration and Approval

All employees and directors are required to:

- Declare any form of benefit or advantage (offered or received).
- Submit a "Benefits Declaration Form" for approval.
- Forwards the approved form to HR Department for records keeping.

Accountability

Employees and directors are responsible for:

- Exercising sound judgement.
- Ensuring compliance with this policy.
- Maintaining proper documentations.

Non-compliance may result in disciplinary action and/or legal consequences.

5.5 Money Laundering

Money laundering arises when criminal origin or nature of money/assets is hidden in legitimate business dealings or when the legitimate funds are used to support any criminal activities. Bribes may occur to facilitate the money laundering process.

Money laundering is a very serious crime and the penalties for breaching anti-money laundering legislation are severe and may include extradition and incarceration in foreign jurisdictions. As such, any practices or activities related to money laundering, including dealing with the proceeds of criminal activities are strictly prohibited.

To prevent violating anti-money laundering laws, employees/directors are expected to conduct counterparty due diligence to understand the business and background of the prospective business counterparty and to assess the potential of money laundering risk.

5.0 CONTROL MEASURES (CONT'D)

5.6 Financial Controls

Financial controls are an essential element in the anti-bribery and corruption program. The Company shall practice the following policies and procedures to prevent/deter the occurrence of bribe and corruption: -

(i) Segregation of Duties

The Company shall ensure no one individual has exclusive control over an area of financial operations. Finance executive shall prepare/initiate any accounting transactions while the Head of Finance & Administration shall review and approve the relevant transactions.

(ii) Delegation of Authorities

Where a process is deemed to pose a higher risk to the Company, for example if a payment is RM3,000,000 and above, responsibilities should be assigned to the Managing Director together with another 1 authorised signatory.

(iii) Control over Assets

All the Company's assets are to be recorded properly in the fixed assets register and all the fixed assets are to be physically inspected once a year during year end. Any addition or write off of the assets should be approved by the director.

Employees/directors are required to make use of the Company's assets with due care and be responsible for the security of the laptop/desktop assigned respectively.

(iv) Cash Control

The Company shall eliminate cash use wherever possible.

Petty cash records shall be maintained by the Finance Department and reconciliation shall be carried out on quarterly basis, if applicable.

(v) No Off-Shore Payments

Payments for transactions should be within Malaysia only and payment in another jurisdiction may be an indicator of improper activity and potential money laundering. In the event of specific circumstance, due diligence on the background of payee, nature of payment, location of the bank account is required before approval for such payment.

(vi) External Audit

External audit shall be carried out on the financial statements and records of the Company once a year after the year end so as to provide reasonable assurance on the financial statements.

5.0 CONTROL MEASURES (CONT'D)

5.7 Non-financial Controls

(i) Awarding of Sub-Contract Services

Decision for awarding any sub-contract services shall be made after evaluation in term of the quality, capabilities, capacity and conflict of interest of the available sub-contractors by at least 2 Senior Management personnel.

5.8 Procedures for Reported/Observed Incidents

The Company shall abide the following procedures in the event of reported/observed/suspected acts of bribery and corruption: -

- (i) Evaluate the evidences. If the evidences are deemed to be insufficient, ensure that the party involved has read and agreed to this ABCP in writing. Keep the relevant party under observation in the event doubts on his/her actions remained; or
- (ii) If the evidences are deemed to be strong, consult with legal counsel for appropriate actions to take in accordance with the relevant laws and regulations. Possible actions include: -
 - Disciplinary measures such as formal warnings and dismissal;
 - Cancellation of contracts (with third parties); and
 - Police investigation and/or court procedures depending on the case and circumstances involved.
- (iii) All reported incidents, including those arising from gifts, entertainment, hospitality, travel benefits, donations, sponsorships or facilitation payments, shall be handled in accordance with this section.

5.9 Records Keeping

The Company must keep all financial records and the relevant supporting documents especially as evidence for making payments to third parties. All accounts, invoices, engagement letters and other documents and records relating to dealing with third parties, such as clients, business associates and sub-contractors, should be prepared and maintained with accuracy and completeness.

Employees/directors must declare all gifts, entertainment, hospitality, travel benefits, donation and sponsorships (received or offered) using the approved Benefits Declaration Form, regardless of value where there is a potential conflict of interest.

Employees/directors must ensure all expenses claims relating to gifts, entertainment, hospitality, travel benefits, donation and sponsorships or expenses incurred for third parties are submitted to Finance Department together with supporting documents (e.g. payment receipts), third party's name and their company name as well as reason for the expenditure.

Finance Department should also make the necessary record for any forced facilitation payment incidents.

All declarations must be approved by the relevant Director and submit to Human Resource Department for records keeping on any reported/observed/suspected acts of bribery and corruption.

All the above-mentioned documents are to be kept in cabinets with lock for at least 7 years. Only authorised personnel shall hold the keys for the locked cabinets.

6.0 SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

Senior Management shall ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption program, and ensure the program is enforced. Such reviews may take the form of an internal audit, or an audit carried out by an external party. The reviews should form the basis of our efforts to improve the existing anti-corruption controls in place in the Company.

In view of the above, the Company shall: -

- (i) plan, establish, implement and maintain a monitoring program, which covers the scope, frequency, and methods for review;
- (ii) identify the competent person(s) and/or establish a compliance function to perform an internal audit, in relation to the Company's anti-corruption measures;
- (iii) conduct continual evaluations and improvements on the Company's ABCP; and
- (iv) conduct disciplinary proceedings against personnel found to be non-compliant to the ABCP.

7.0 TRAINING AND COMMUNICATION

The Company shall develop and disseminate internal and external training and communications relevant to the anti-corruption management system covering the following areas: -

- (i) policy;
- (ii) training;
- (iii) reporting channel; and
- (iv) consequences of non-compliance.

7.1 Communication of ABCP

The Company's ABCP shall made publicly available in the Company's website, and communicate to all employees/directors via email, Code of Conduct and Ethics and Employees Handbook while communicate to business associates and sub-contractors via email.

7.2 Training

The Company shall provide the employees with adequate training to ensure their thorough understanding of the Company's anti-corruption position, especially in relation to their role within or outside the Company.

The training may be conducted in a variety of formats, including but not limited to: -

- (i) induction briefing featuring key anti-corruption elements for all new employees;
- (ii) corporate in-house training and video; and/or
- (iii) town hall sessions.

8.0 CONSEQUENCES

Failure for employees/directors to comply with this ABCP shall result in disciplinary action, up to and including termination of employment or dismissal.

Failure for sub-contractors or business associates to comply with the relevant sections within the ABCP may result in termination of business relationship with the Company.

Since this ABCP is developed based on legal requirements, violating them could subject the Company and the relevant personnel to penalties including fines, imprisonment and other criminal or civil sanctions. These violations shall result in high costs, loss of professional accreditation or personal reputational damage while severely damage the reputation of the Company.

Section 17A(2) of the MACCA stated that any commercial organisation who commits an offence under Section 17A of the MACCA shall be on conviction be liable to a fine of not less than 10 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 RM1 million, whichever is higher, or to imprisonment for a term not exceeding 20 years or to both.

END.

[Remaining of this page is left blank intentionally]