

CHIN HIN GROUP PROPERTY BERHAD

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

1.0 INTRODUCTION

Chin Hin Group Property Berhad (“**Company**”) and its subsidiaries (“**Group**”) are committed to conduct its business in a legal and ethical manner with honesty, integrity, trustworthiness and accountability. The Board of Directors (“**Board**”) of the Company is responsible to ensure compliance with the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”) and all other relevant laws and regulations which govern the operations and business activities conducted by the Group.

In line with this commitment, the Group has adopted an Anti-Corruption and Anti-Bribery Policy (“**Policy**”) which outlines the Group’s position on anti-corruption and anti-bribery behaviour, the responsibilities of the directors, officers and employees of the Group to uphold all laws to combat corruption and bribery and the procedures on anti-corruption and anti-bribery that are guided by the Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A of the MACC Act, as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

This Policy should be read together with the Code of Conduct, Whistle Blowing Policy and other policies and guidelines of the Group.

2.0 OBJECTIVE

The objective of the Policy is to provide information and guidance to those working for the Group on standards of behaviour to which they must adhere to and how to recognise as well as deal with corruption and bribery.

This Policy is not intended to be exhaustive, and there may be additional obligations that are required to be complied with by the parties covered under this Policy as defined under clause 4.0 below. Such parties shall at all times ensure compliance with all applicable laws, rules and regulations in the performance of their duties.

3.0 DEFINITIONS

The following definitions are included in this Policy.

Corruption means the act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his or her job description. The MACC Act, however, clearly specified the act of soliciting, giving, accepting or receiving gratification, directly or indirectly, to or from a person in authority either in the form of money, services or valuable goods as an inducement or reward to or not to do an act in relation to the person’s principal affairs; as undertaking the act of corruption.

In fact, the act of bribery, fraud, abuse of power and money laundering are all acts of corruption.

Gratification means –

- (a) 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;

- (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) any forbearance to demand any money or money's worth or valuable thing;
- (f) 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
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

4.0 APPLICATION

- 4.1 This Policy is applicable to all directors, officers, employees (including full time, probationary, contract, interns and temporary employees) of the Group ("**Personnel**").
- 4.2 Associated companies of the Company are encouraged to adopt similar principles and procedures. The Group also expects that other parties performing work or services for and on behalf of the Group to comply with the relevant parts of this Policy when performing such work.
- 4.3 Each Personnel has a duty to read and understand this Policy and ensure compliance with this Policy and all applicable laws, regulations and other policies of the Group. Violation of any of the Policy's provisions may result in counselling, disciplinary action or, in extreme circumstances, dismissal or termination of employment/appointment. If a Personnel requires further clarification or expresses concern on the Policy, he or she may refer or highlight such concerns to the respective Head of Department, whereas for a director, the director should refer or highlight his or her concerns to the Chairman of the Board.
- 4.4 No deviations or exemptions from this Policy shall be granted unless there are exceptional circumstances. All requests for exemptions must be addressed to the Board in writing. The Board must assess and decide on each request individually and any exemptions granted must be documented.

5.0 GENERAL ANTI-CORRUPTION AND ANTI-BRIBERY STATEMENT

- 5.1 Corruption and bribery in all forms related to the Group's activities are prohibited.
- 5.2 All Personnel shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit of the Group or the persons involved in the transaction.
- 5.3 This Policy applies equally to business dealings with commercial organisations and public bodies which include their directors, personnel, agents and other appointed representatives. Even the possible appearance of corruption or bribery is to be avoided, in particular when dealing with officials of a public body.
- 5.4 This Policy applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.

- 5.5 No Personnel shall suffer demotion, penalty or adverse consequence in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour, even if such refusal may result in the Group losing business or experiencing a delay in business operations.
- 5.6 The Group recognises the value of integrity in its directors, officers and employees. The recruitment, training, performance evaluation, remuneration, recognition and promotion for all employees of the Group shall be designed to recognise integrity. The Group is committed to conduct due diligence on employees who hold or may be holding positions that may render them vulnerable to corruption or bribery.
- 5.7 The Group does not offer employment to prospective employees in return for previous favour(s) or in exchange of improper favour(s).
- 5.8 The Group awards contracts and employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

6.0 BUSINESS ASSOCIATES

- 6.1 Business associate is an external party with whom the Group has established, or plans to establish, some form of business relationship. This may include clients, customers, joint-venture partners, consortium partners, outsourcing providers, consultants, contractors, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.
- 6.2 The Group shall include standard clauses in all contracts with business associates enabling the Group to terminate the contract in the event that bribery or an act of corruption has been proved to occur. Additional clauses may also be included for business associates acting on behalf of the Group where a more than minor corruption or bribery risk has been identified.

7.0 GIFTS, ENTERTAINMENT, HOSPITALITY AND TRAVEL

- 7.1 This Policy does not prohibit normal and appropriate business courtesies and gift hospitality, so long as it is reasonable, appropriate, modest and bona fide.
- 7.2 Any gift must be unsolicited and not affected, or be perceived as affecting, business judgement. Gifts should only be offered to and received in connection with a customary business or cultural occasion. Cash loans or their equivalent advantages are absolutely prohibited.
- 7.3 The quantum and frequency of a gift may be fixed by the Board and unless so fixed shall not exceed RM300 for all Personnel.
- 7.4 Seasonal gifts such as hampers given shall not exceed RM150 per hamper, per recipient for the Property Segment, and, not exceed RM1000 per hamper, per recipient, subject to the seasonal gift/hamper policy for the Sales Division of the Vehicles Segment.
- 7.5 Hospitality must be unsolicited and does not affect, or be perceived as affecting, business judgement. Meals and entertainment should only be offered to and received from the Group's representatives for business meetings, conferences or events hosted, supported or sponsored by the Group. They may never be provided on a stand-alone basis.
- 7.6 The quantum and frequency of hospitality may be fixed by the Board and unless so fixed shall not exceed RM300 for all Personnel.

- 7.7 Any travelling arrangements offered and received must be pre-approved by the management. Reasonable expenses are permitted if it is a bona fide business expense which is related to business meetings, conferences, promotion and expansion of the business or for the purpose of the performance of a contract and this shall only be applicable to the persons directly related to the business or the events and shall not include spouses or relatives.
- 7.8 Where it is inappropriate to decline the offer of a gift, entertainment, hospitality or travel (i.e., when meeting with an individual of a certain religion/ culture who may take offence), the gift, entertainment, hospitality or travel may be accepted so long as it is declared to the management via the HR Department, who shall assess the circumstances, including whether it accords with the Group's pre-determined thresholds and frequency.
- 7.9 As good practice, gifts, entertainment, hospitality and travel given and received should always be disclosed to the HR Department. Those received from the suppliers must be disclosed to the Human Resources ("HR") Department,
- 7.10 The intention behind a gift, entertainment, hospitality or travel being given or received should always be considered. If there is any uncertainty, the advice of the management (HR Department) should be sought.

8.0 DONATIONS AND SPONSORSHIPS, INCLUDING POLITICAL DONATIONS

- 8.1 Donations and sponsorships, including political donations are permitted, and capped at RM300, so long as it is not affected, or be perceived as affecting, business judgement.
- 8.2 Donations and charitable support are acceptable and are indeed encouraged, whether of in kind services, knowledge, time or direct financial contributions. However, all Personnel must be mindful to ensure that charitable contributions are not used as a scheme to conceal corruption or bribery. No donation shall be offered or made without the prior approval from the management. A copy of all charitable contributions shall be kept by the management, via the HR Department.
- 8.3 All political contributions must be pre-approved by the directors. The copy of all political contributions shall be kept by the management, via the HR Department.
- 8.4 All charitable donations made are to be legal and ethical under local laws and practices, and donations are offered or made in accordance with the Group's approval mandate.

9.0 FACILITATION PAYMENTS AND KICKBACKS

- 9.1 The Group prohibits the making and acceptance of facilitation payments or "kickbacks" of any kind.
- 9.2 All Personnel shall at all times decline to make the payment and report to the management immediately upon encountering any requests for a facilitation payment. In the event the Personnel has made the payment and is unsure of its nature, the management must be notified immediately for guidance on the next course of action, and the payment must be recorded accordingly.

- 9.3 All Personnel shall not facilitate the evasion of tax by a customer, supplier or other third party by making payments to offshore bank accounts or by other means which could be construed by tax authorities to be facilitation of tax evasion by the recipient.

10.0 CONFLICT OF INTEREST

- 10.1 Conflict of interest arises when a Personnel's own interest either influence, have the potential to influence, or is perceived to influence his or her decision making at the Group.
- 10.2 Where a Personnel is in a situation where his or her employment duties or responsibilities may conflict or appear to conflict with his or her personal interests, such Personnel is required to disclose the conflict to his or her respective Head of Department and abstain himself or herself from any decision making process which may involve or appear to involve his or her personal interests.

11.0 FINANCIAL AND NON-FINANCIAL CONTROLS

- 11.1 Approval for financial transactions shall be obtained in accordance with the approving matrix as stipulated under the limits of authority of the Group. In particular, financial transactions of a significant amount shall be approved by multiple signatories and shall not, under any circumstances, be approved by a sole signatory.
- 11.2 Procurement practices shall be conducted in a fair and transparent manner with no one person possessing the absolute power over the approval and choice of tenders and awards to contractors, subcontractors, vendors, and other business associates. The Group practices separation and segregation of duties with adequate check and balances across the organisation to mitigate incidents of power abuse.

12. RESPONSIBILITIES OF PERSONNEL

- 12.1 The responsibility to control the risk of corruption and bribery occurring resides at all levels of the Group. Nevertheless, all Personnel are responsible for the understanding and complying with this Policy. In particular, the role of all Personnel includes the following:
- (a) be familiar with applicable requirements and directives of this Policy and communicate them to their subordinates;
 - (b) promptly record all transactions and payments accurately and in reasonable detail;
 - (c) always raise suspicious transactions to the respective Head of Department for guidance on the next course of action;
 - (d) promptly report violations or suspected violations through appropriate channels; and
 - (e) not to misuse their position or the Company's name for personal advantage.
- 12.2 All Heads of Department shall be responsible to identify the corruption and bribery risks in their respective department, communicate such risks to their subordinates, monitor their subordinates' performance in relation to this Policy and implement suitable controls to ensure they understand and comply with the Policy.
- 12.3 The management, via the HR Department shall be responsible for all anti-corruption compliance matters, including provision of advice and guidance to all Personnel and where applicable, those business associates whose activities may be affected by this Policy, in relation to the anti-corruption programme.

13.0 DUE DILIGENCE

- 13.1 The Group may conduct due diligence on Personnel, business associates, senior officials of public bodies and any relevant parties prior to entering into any formalised relationships.
- 13.2 The methods may include (but shall not be limited to) background checks on the person or entity, a document verification process or conducting interviews with the person to be appointed to a key role where corruption risk has been identified.

14.0 RECORD KEEPING

- 14.1 The Group shall ensure that financial records are well maintained and appropriate internal controls are put in place to evidence the business reasons for making payments to business associates.
- 14.2 All Personnel shall ensure that a written record of all hospitality or gifts accepted or offered is kept and all expenses claims relating to hospitality, gifts or expenses incurred in relation to business associates are specifically recorded together with the reason for such expenditure. Such records must be filed and maintained for review by the management, via the HR Department.
- 14.3 All accounts, invoices and other related documents and records relating to dealing with business associates shall be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

15.0 TRAINING AND COMMUNICATION

- 15.1 A copy of this Policy in English language, as well as any updates or amendments thereafter, shall be made available to all Personnel. Business associates shall also be communicated on the importance of understanding and compliance with this Policy. The Policy shall also be posted on the Company's website at www.chgp.my
- 15.2 In order to ensure a thorough understanding of the anti-corruption and anti-bribery position of the Group, especially in relation to the roles involved in the Group, all Personnel as well as its business associates are required to refer to the Company's website regularly to keep themselves informed of the changes which may be made to this Policy from time to time.
- 15.3 Training on this Policy forms part of the induction process for all Personnel to ensure that they have read and understood the Policy.
- 15.4 The management, via the HR Department shall maintain records to monitor the trainings provided to all Personnel in relation to this Policy, and to produce, communicate and update the training schedule where applicable.

16.0 ANNUAL RISK ASSESSMENT AND INTERNAL AUDIT

- 16.1 The Company shall conduct a corruption risk assessment on an annual basis in respect of the Group, with intermittent assessments conducted when necessary, to establish appropriate processes, systems and controls approved by the Board to mitigate the specific corruption risks that the business is exposed to. The Company, through the Risk Management Committee, shall plan, establish, implement and maintain a monitoring programme, which covers the scope, frequency and methods for review. The annual corruption risk assessment shall be submitted to

the Audit Committee and the Board for approval and to consider any appropriate action to be implemented.

- 16.2 The corruption risk assessment shall include the following:
- (a) opportunities for corruption, bribery and fraud activities resulting from weaknesses in the Company's governance framework and internal system or procedures;
 - (b) financial transactions that may disguise corrupt payments;
 - (c) business activities in sectors that pose a higher corruption risk;
 - (d) non-compliance of external parties acting on behalf of the Group regarding legal and regulatory requirements related to anti-corruption; and
 - (e) relationships with third parties in its supply chain (e.g. agents, vendors, contractors and suppliers) which are likely to expose the Group to corruption.
- 16.3 The Risk Management Committee shall incorporate the corruption risk assessment into the Risk Management Framework of the Group.
- 16.4 The Risk Management Committee, with the consent of the Audit Committee, shall identify and appoint competent person(s) within the Group or engage the outsourced internal auditors at least once in every two (2) years to conduct an internal audit on the appropriate processes, systems and controls in relation to the anti-corruption measures in order to obtain assurance that the Group is operating in compliance with its policies and procedures in relation to anti-corruption and anti-bribery. The audit report shall be submitted to the Risk Management Committee, the Audit Committee and the Board for approval and to consider any appropriate action to be implemented

17.0 REPORTING CHANNEL OF POLICY VIOLATIONS

- 17.1 All Personnel who encounter actual or suspected violations of this Policy are required to report their concerns via the reporting channels provided in the Whistleblowing Policy.
- 17.2 Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear or reprisal regardless of the outcome of any investigation.
- 17.3 Retaliation in any form against the Personnel where the person has, in good faith, reported a violation or possible violation of this Policy is strictly prohibited. Any Personnel found to have deliberately acted against the interest of a person who has in good faith reported a violation or possible violation of this Policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal, or other actions (including legal action) which the Group may pursue.
- 17.4 The Risk Management Committee shall be the independent authority to initiate investigations deemed necessary based on reasonable cause for suspicion. The Chairman of the Risk Management Working Group Committee shall maintain a direct reporting line to the Chairman of the Audit Committee and the Chairman of the Board.

18.0 SANCTIONS FOR NON-COMPLIANCE

- 18.1 The Group regards corruption and bribery as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment or contract. Further legal action may also be taken in the event that the Group's interests has been harmed as a result of non-compliance.

- 18.2 The Group shall notify the relevant regulatory authorities if any identified corruption or bribery incidents have been proven beyond reasonable doubt.
- 18.3 Where notification to the relevant regulatory authorities has been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Personnel.

19.0 REVIEW OF POLICY

- 19.1 The Board shall monitor the legal and regulatory regimes where the Group operates and any changes to the Group's business environment and risks and identify opportunities for the improvement of the Policy.
- 19.2 The Board shall conduct continual evaluations in managing the relevance and appropriateness of this Policy. The review of the Policy shall be carried out periodically to ensure that its scope, policies, procedures and controls remain consistent with the corruption and bribery related risks faced by the Group, and in any event, at least once in every two (2) years.

20.0 PERSONNEL DECLARATIONS

- 20.1 All Personnel shall certify in writing that they have read, understood and will abide by this Policy. A copy of the declaration shall be documented and retained by the management, via the HR Department for the duration of the Personnel's employment with the Group.
- 20.2 The Group reserves the right to request information regarding a Personnel's assets in the event that the Personnel is implicated in any corruption and bribery related accusation or incident.

Effective date:

This policy has been endorsed and authorised for issue in accordance with a Board of Directors' resolution dated 25 February 2021.