



**HO HUP CONSTRUCTION
COMPANY BERHAD**

(Registration No. 197301000497(14034-W))

ANTI-BRIBERY AND ANTI-CORRUPTION MANUAL

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1. Introduction

Ho Hup Construction Company Berhad ("**HHCCB**" and/or "**the Company**") is committed to conduct business dealings with integrity and has adopted a zero-tolerance approach against all forms of bribery and corruption in its daily operations. The Anti-Bribery and Anti-Corruption Policy ("**Policy**") is developed as part of the Company's commitment to the principles of honesty, integrity, transparency and fairness.

2. Definitions

The definitions of the terms used in this Policy are as per provided in **Appendix 1**.

3. Objective

This Policy sets out the Company's commitment towards bribery in all its forms and matters of corruption that might confront the Company in its day to day operations.

4. Scope

This Policy is applicable to anyone who is employed by or work at the Company whether permanent, contract or temporary basis (referred as "**employees**") and to all directors (executive and non-executive) of the Company; collectively known as "**personnel**". It is also applicable to contractors, sub-contractors, consultants, suppliers, vendors, advisers, agents, distributors, representatives and service providers of any kind performing work or services, for on or behalf of the Company (collectively referred as "**Business Associates**")

5. Anti-Bribery and Anti-Corruption Policy Statement

5.1 All forms of bribery and corruption are prohibited. The Company upholds a zero tolerance approach. In addition to bribery, the Company's personnel must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, insider trading, embezzlement, fraud or money laundering.

- 5.2** Bribery may take the form in exchange of money, goods, services, property, privilege, employment position or preferential treatment. The Company’s personnel shall not therefore, 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 Company or the persons involved in the transaction.
- 5.3** This Policy applies equally to its business dealings with commercial (‘private sector’) and government (‘public sector’) entities, and includes interactions with their directors, employees, agents and other appointed representatives at all levels.
- 5.4** No employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the Company losing business or experiencing a delay in business operations.
- 5.5** The Company recognises the value of integrity in its employees and Directors. The Company’s recruitment, training, performance evaluation, remuneration, recognition and promotion for all employees, shall be designed to recognise integrity. The Company does not offer employment to prospective candidates in return for favour.
- 5.6** The Company awards contracts purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process.

6. Recognition of Legislation

- 6.1** The Company is committed to operate in accordance with local and international approved conventions. These laws include the Malaysian Penal Code (revised in 1977) and its amendments, the Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendments (“MACC Act”), and the Companies Act 2016.

7. Gifts, Entertainment, Hospitality, Donation & Sponsorship

“Corporate gift” normally bears the Company’s name and logo and are of nominal/appropriate value such as diaries, table calendars, pens, notepads and plaques. “Festive or ceremonial gifts” are traditional treats or gifts customary to the occasion such as red packets, oranges and dates.

7.1 Gifts

1) *Providing Gifts*

a) Corporate gifts, festive or ceremonial gifts may be given to the Company’s business associates or other parties provided it fulfils all of the following conditions:

- (i) made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with festive seasons or other ceremonial occasions;
- (ii) no obligation – it must not be used to cause or induce the receiver to improperly or illegally influence any business action or inaction or cause others to perceive an improper influence;
- (iii) no expectation – there must not be any expectation of any favour or improper advantages from the receiver;
- (iv) made openly – if made secretly and undocumented then the purpose will be open to question;
- (v) reasonable value – the type of gift and its value must commensurate with the occasion and in accordance with general business practice;
- (vi) legal – it complies with applicable laws; and
- (vii) documented – the expense must be approved in accordance with and complies with the Company’s standard operating procedures.

2) *Accepting Gift*

- a) The Company recognises that exchange of gifts is a very delicate matter where, in certain cultures or situations, gift giving is customary, a tradition or central part of business etiquette.

- b) The Company's personnel are expected to decline (or avoid accepting) gifts with the following exceptions:
 - (i) corporate gifts of nominal / appropriate value;
 - (ii) festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions;
 - (iii) when refusing the gift is likely to offend and harm the Company's business relationship with the giver; or
 - (iv) gifts given during invitation to speak at conferences or work-related conferences.

If you are in doubt about the acceptability, the gift must be refused.

7.2 Entertainment

1) *Providing Entertainment*

- a) It is a common practice within the business environment to provide entertainment to foster business relationship. The Company recognises the need to provide reasonable entertainment under appropriate circumstances. The Company's personnel may offer appropriate entertainment that is legal and reasonable within the scope of their work as part of business networking as well as a measure of goodwill towards the recipients. Whilst the act of hospitality through entertainment is a central part of business etiquette, it may create a negative perception if observed or known by others despite selfless motives behind the entertainment provided. The Company's personnel must always bear in mind that perception is more important than facts and therefore The Company's personnel is

expected to always exercise proper care and good judgement when providing entertainment to external parties.

- b) The Company's personnel must not directly or indirectly provide or offer to provide entertainment with a view to cause undue influence or in exchange for favours or advantages. Such acts are considered corruption.

2) *Accepting Entertainment*

- a) The Company recognises that occasional acceptance of appropriate entertainment provided by Business Associates or other parties in the normal course of business is a legitimate way to network and to build business relationships.
- b) However, it is important for the Company's personnel to exercise proper care and good judgement before accepting entertainment offered provided by Business Associates or other external parties. This is to safeguard the Company's reputation and avoid allegations of impropriety or undue influence or worse, corruption.

7.3 Corporate Hospitality

Corporate hospitality is generally corporate events or activities organised by an organisation, which involves entertainment of the Company's personnel and/or other parties for the benefit of that organisation. Examples of corporate hospitality include local/overseas travel / seminars / workshop / talks on subject matters relevant to the industry. Other parties may include customers, contractors, consultants, bankers, lawyers, service providers of any kind, stakeholders with whom a business relationship (whether past, present or prospective) exists and the public at large.

1) *Providing Corporate Hospitality*

- a) The Company recognises that providing corporate hospitality be it through corporate events, sport events or other public events,

is a legitimate way to network, promote goodwill and build business relationships.

- b) While providing appropriate corporate hospitality is a reflection of the Company's courtesy and generosity, the Company's personnel must exercise proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not give rise to the perception that it is given to obtain business or advantage of any kind or unduly influence the outcome of a business decision.
- c) Malaysia and international anti-bribery and anti-corruption laws impose strict restrictions on the value and level of corporate hospitality to be accorded to public officials. The Company is committed to comply with all applicable laws and the Company's personnel must exercise special caution when providing corporate hospitality to public officials. The Company's personnel must consult their immediate supervisor when offering any corporate hospitality to public officials.

2) *Accepting Corporate Hospitality*

- a) As a general principle, the Company's personnel must not directly or indirectly solicit hospitality or accept hospitality of any form that is excessive, inappropriate, illegal or to influence a favourable business decision. For instance, the Company's personnel must refrain from accepting corporate hospitality from business associates who are engaged in a tender or competitive bidding exercise of the Company.
- b) Notwithstanding the above, the Company recognises that occasional acceptance of an appropriate level of corporate hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, the Company's Personnel must exercise proper care

and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not be accepted or give rise to the perception that it is accepted to obtain business benefit or advantage of any kind or unduly influence the outcome of a business decision.

- 7.4** The Company prohibits the act of giving and receiving of donations and sponsorships that may influence business decisions.
- 7.5** Donations in the form of charity or social corporate responsibility activities may be permissible depending on the event/circumstances but should be made directly to an official entity and be able to disclosed publicly when required to.
- 7.6** In respect of political contributions, funds or the resources of the Company, must not be used to make any direct or indirect political contributions without the approval from the Board of Directors of the Company and no political contribution may be made unless the Company has received a satisfactory opinion from qualified local counsel as to its legality under applicable laws.

8. Policies on Third-Party Travel

- 8.1** Third-Party Travel refers to travelling-related expenditures, such as travel tickets, meals, or accommodations, incurred for legitimate business activities, such as an audit or project site visit, which are provided by the Group, or vice versa.
- 8.2** Non-business-related travel is not considered as a Third-Party Travel and the Group does not provide any non-business-related travel to external parties.
- 8.3** The Group shall not give or receive any Third-Party Travel which may be construed as a bribe.
- 8.4** All Third-Party Travel provided by the Group shall be authorised, processed, and recorded in accordance with the internal policies on Business Travel established by the Group.

9. Facilitation Payments

- 9.1** The Company prohibits the use of facilitation payments in its business, and The Company's personnel shall decline any requests for a facilitation payment.
- 9.2** The Company's personnel are expected to notify their immediate superior when encountered with any requests for a facilitation payment. In addition, if a payment has been made and the personnel are unsure of the nature, their immediate superior must be immediately notified and consulted. They must also ensure that the payment has been recorded transparently.
- 9.3** Support letters in all forms shall not be recognized as part of the business decision making process as all contracts which are awarded are given purely on merit basis.

10. Business Associates

- 10.1** As part of the Company's commitment to combat bribery and corruption, the Company expects all Business Associates/consultants/advisors to refrain from such activities.
- 10.2** If suspicion of bribery and corruption arises in the dealings with any Business Associates/consultants/advisors, the Company shall seek an alternative provider of the services/goods.
- 10.3** The Company expects all Business Associates/consultants/advisors acting on behalf of the Company to contractually agree to refrain from bribery and corruption activity.
- 10.4** The Company shall endeavor to include clauses in all contracts enabling the Company's absolute right to terminate any contract in which bribery or corruption activity has been observed.

11. Responsibilities of Personnel

11.1 The Company's personnel are responsible for understanding and complying with this Policy. In particular, the role of all personnel includes the followings:

- a) Be familiar with all directives of the Policy and communicate them to subordinates;
- b) Promptly record all transactions and payments accurately and in reasonable detail;
- c) Always raise suspicious transactions to immediate superiors for guidance on next course of action;
- d) Promptly report violations or suspected violations through appropriate channels.

11.2 All personnel shall certify and pledge in writing that they have read, understood and will strictly adhere and abide by this Policy. A copy of this declaration shall be documented and retained by the Human Resources Department for the duration of the personnel's employment.

12. Conflicts of Interest

12.1 Conflicts of interest arise in situations when personal interest interferes with the objectivity of performing duties or exercising judgment on behalf of the Company. Personnel must not use their position, official working hours, the Company's resources and assets, or information available to them for their personal gain or to the Company's disadvantage.

13. Anti-Bribery and Anti-Corruption Compliance

13.1 The Company shall establish and maintain an Anti-Bribery and Anti-Corruption compliance function within the Human Resources Department ("HR") to oversee and monitor the implementation of the Policy. HR shall ensure that the Company's personnel are equipped to act effectively against bribery and corruption by providing advice and guidance to them on the Policy.

14. Risk Assessment

- 14.1** As a basis of the Company's anti-corruption effort, the Company has prepared a corruption risk assessment. The Company shall conduct corruption risk assessment with all its employees and directors on a regular basis. It is recommended that a comprehensive risk assessment is done every three years.
- 14.2** This risk assessment should be used to establish appropriate processes, systems and controls approved by the top-level management to mitigate the specific bribery and corruption risks the business is exposed to.
- 14.3** Please refer to Corruption Risk Assessment for further detail.

15. Reporting of Non-Compliance

- 15.1** The Company's personnel, who, in the course of their work-related activities, encounter actual or suspected non-compliance of this Policy, are required to report their concerns using the reporting channels stated in the Whistleblowing Policy which are established to receive information on this Policy's violation and other matters regarding integrity.
- 15.2** Reports must be made in good faith and shall be addressed to the reporting channel in the Whistleblowing Policy without incurring fear of penalty regardless of the outcome of any investigation. Retaliation of any form against the Company's personnel, whereby the person, in good faith, reported a violation or possible violation of this Policy, is strictly prohibited.
- 15.3** Any personnel found to have deliberately acted against the interests of a person who, in good faith, reported a violation or possible non-compliance of this Policy shall be subject to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) in which the Company may pursue.

16. Disciplinary Actions

- 16.1** The Company regards acts of bribery and corruption seriously and will take appropriate actions in the event of non-compliance of this Policy. For our personnel, non-compliance of this Policy may lead to disciplinary action as it deemed fit including termination of employment.
- 16.2** For business associates/consultants/advisors, non-compliance of this Policy may lead to termination of contract and claim for damages.

17. Dawn Raid: How to deal a raid and its procedures

- 17.1** It is difficult to predict when regulatory authorities such as Malaysian Anti-Corruption Commission (MACC), Inland Revenue Board of Malaysia (IRB), Securities Commission Malaysia (SC) and Bursa Malaysia Berhad might come knocking on our door.
- 17.2** Therefore, it is essential that the dawn raid procedures should be in place to ensure that the steps and procedures are being followed properly if the Company ever faces a dawn raid.
- 17.3** Dealing with a raid
The Company shall develop an internal dawn raid response team that will be responsible for handling any unexpected on-site inspection. The team shall consist of Chief Executive Officer, Chief Financial Officer and Head of Legal Department.
 - a) During a raid, it is likely that the receptionist will be the first person to meet the investigation team. Therefore it is important that they are briefed on how to handle such unexpected situation. The receptionist (or the front-office staff) should remain calm and inform any of the members of the internal dawn raid response team of the investigators' arrival.

- b) The lead investigator should be identified. The investigation team should be accompanied by one of the internal dawn raid response team members to the Board Room. They should be supervised at all times and none of the investigating officers to be left alone at any point of time. The head of legal department shall immediately contact the pre-identified external counsel to inform them that a raid is taking place. The external counsel should be well-versed with criminal investigative experience in assisting companies dealing with dawn raid.
- c) The investigator may agree to wait for the arrival of the counsel; however, they are under no obligation to wait for a lawyer.
- d) While waiting for the counsel to arrive, the internal response team should: -
- (i) Ask to see the search warrant and ensure that the date and the details of the premises are correct. It is important to highlight the scope of any warrant;
 - (ii) Ensure that the scope and relevance of the warrant is adhered to;
 - (iii) Make notes of what document / files / items are specifically requested and seized. In most cases, the investigators will search for and potentially seize the following items: -
 - Mobile phones
 - Computers / laptops / tablets
 - Electronic storage devices
 - Relevant paperwork such as banking material and invoices

e) It is very important that no one should try to obstruct the investigators from conducting their search, as this in itself could be a criminal offence. It may also be an offence to attempt to conceal or destroy any material. The entire response team shall endeavor to cooperate as fully as possible with the investigation. This might mean assisting with photocopying documents and carrying out other administrative tasks.

17.4 After a dawn raid (once the investigation team leave)

- a) The internal dawn raid response team of the Company should conduct a meeting with the external counsel. It is a good practice to prepare a written report of the raid whilst it is still fresh in mind. This should include reference to the inventory that has been provided and any conversations that have taken place in the day.
- b) It is crucial at this point to suspend any routine document destruction policy or deletion of electronic documents, as this could be considered a criminal offence.

18. Awareness and Training

18.1 The Company shall conduct an Anti-Bribery and Anti-Corruption awareness program for all its employees and directors on a regular basis. HR shall maintain records of the training and schedules.

19. Audit and Compliance

19.1 Regular audits shall be conducted to ensure compliance to this Policy. Such audits may be conducted internally by the Company. Audit documentation should include performance improvement action plans.

Appendix 1 – Definitions

<p>Bribery & Corruption</p>	<p>means any actions considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). In practice, this means offering, giving, receiving or soliciting anything of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation, either for the intended benefit of the Company or the persons involved in the transaction.</p> <p>Bribery and corruption are criminal offences and legal consequences include fine of unlimited amount and/or imprisonment of up to twenty (20) years.</p> <p>Bribery may be ‘outbound’, where someone acting on behalf of The Company attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within The Company such as a senior decision- maker or someone with access to confidential information.</p>
<p>Gratification</p>	<p>is defined in the MACCA to mean the following:</p> <ul style="list-style-type: none"> (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;

	<p>(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</p> <p>(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).</p>
Business Associate	An external party with whom the Company has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, and joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.
Conflict of Interest	When a person's own interests either influence, have the potential to influence, or are perceived to influence their decision making of the Company.
Facilitation payment	A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.
Corporate Gift	Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the Company's brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved. Corporate gifts normally bear the Company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads and plaques.
Exposed Position	A staff position identified as vulnerable to bribery through a risk assessment. Such positions may include but is not limited to any role involving procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.