

AppAsia Berhad
[Registration No. 200401005180 (643683-U)]

Anti-Bribery and Anti-Corruption Policy and Procedure

Introduction

AppAsia Berhad and its subsidiaries (collectively referred to as “**the Group**”) is committed to the highest ethical standards in conducting business dealings with integrity and in compliance with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009.

This Policy and Procedure is intended to apply to every employee of the Group. Although this Policy and Procedure is specifically written for the Group’s employees and directors, the Group expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group will comply with the same when performing such work or services. The Group has adopted a zero-tolerance approach against all forms of Bribery and Corruption and takes a strong stance against such acts.

This Policy and Procedure is not intended to provide definitive answers to all questions regarding Bribery and Corruption, but is instead envisioned to provide a basic introduction to how the Group combats bribery and corruption in furtherance of its commitment to lawful, fair and ethical behavior at all times, in addition to being designed to avoid situations in which bribery and corruption may take root.

Definition

Words	Meanings
Bribery	Defined as any action which would be considered as an offence of giving or receiving gratification under the MACC Act.
Business Associate	An external party with whom the Group has, or plans to establish some form of business relationship which may include but not limited to customers, joint venture partners, consultants, contractors, subcontractors, suppliers, agents and the like.
Corporate Gift	Something given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.
Corruption	Defined as any action which would be considered as an offence of giving or receiving gratification under the MACC Act.
Conflict of Interest	When a person’s own interests either influence, have the potential to influence, or are perceived to influence the decision making of the Group.

Donations and Sponsorship	Charitable contributions and/or sponsorship payment made to support the community.
Directors	Directors includes all of the following:- <ul style="list-style-type: none"> • Independent and non-independent Directors • Executive and non-executive Directors • Alternate Directors
Exposed Position	A position identified as vulnerable to bribery through risk assessment. Such position may include but not limited to roles involving procurement, financials, sales, or any other positions which the Group has identified as vulnerable to Bribery and Corruption.
Facilitation of 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.
Festive Gift	Traditional treats or gifts customary to the occasion such as red packets (cash or cash equivalent), hampers, and the like.
Gratification	Defined in the MACC Act as:- <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; (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 (g).

MACC Act	Malaysia Anti-Corruption Commission Act 2009 and any statutory modification, amendment or re-enactment thereof for the time being in force
The Group	AppAsia Berhad and its subsidiaries

Application

The Directors and Employees of the Group (collectively referred to as “**the Employees**”) are responsible for understanding and complying with this Policy and Procedure which includes the following:-

- a) Be familiar with the requirements and directives of this Policy and Procedure and communicate them to subordinates;
- b) Promptly record all transactions of Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship (collectively referred to as “**GEHTDS**”) accurately and in reasonable detail;
- c) Always raise suspicion transactions to immediate superior for guidance on next course of action;
- d) Promptly report violations or suspected violations through appropriate channels; and
- e) Attend and complete all trainings and assessments in relation to the Policy and Procedure.

General Principles on Anti-Bribery and Anti-Corruption

All forms of Bribery and Corruption are prohibited. The Employees should not participate in any corrupt or unethical activity such as but not limited to extortion, abuse of power, trading under influence fraud and/or money laundering.

Bribery and Corruption may take the form of exchange of money, goods, services, property, privilege and/or preferential treatment. The Employees shall not, whether directly or indirectly, offer, give, receive or solicit any item of value, in an attempt to influence decisions or actions of a person in a position in the Group, either for the intended benefit of the Group or the Business Associate involved in the transaction.

This Policy and Procedure applies to the Group’s business dealings with commercial and government entities, and includes interactions with their directors, employees, agents and other appointed representatives.

The Employees will not suffer demotion, penalty or other adverse consequence for refusing to pay or receive bribes or other illicit behavior, even if such refusal may result in the Group losing business or experience a delay in business operations.

The Group awards contracts based on merits and tenders. Support letters in all forms shall not be recognized as part of the business decision making process.

The Group's internal audit function shall conduct regular risk assessments in relation to Bribery and Corruption.

Conflict of Interest

A situation of conflict of interest arise where a personal interest might be considered to interfere with a person's objectivity in performing or exercising duties/judgement on behalf of the Group.

The Employees should avoid or deal appropriately with situations in which conflict of interest arise and they must not use their position to gain or to cause disadvantage to the Group.

Dealings with Business Associate

The Group expects all Business Associate to refrain from Bribery and Corruption. In the event of any suspicion in the Group of Bribery and Corruption in any collaboration with the Business Associate, the Group shall seek an alternative Business Associate.

The Group shall endeavor to include clauses in contracts which would enable the Group to terminate any contract in which a reasonable suspicion of Bribery or Corruption has arisen.

In the event of suspicious behavior, allegations and/or investigations relating to Bribery and Corruption in relation to collaboration with the Group and Business Associate, the Group shall conduct due diligence on any relevant parties which include but not limited to search through relevant database, background checks and conducting interviews to identify relationship and documenting the reasons for choosing one particular Business Associate over another.

Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship

The Group has adopted a "No Gift" Policy whereby, subject only to certain narrow exceptions, the Employees are prohibited from, directly or indirectly, receiving or providing gifts.

The Employees are required to abide by this Policy and to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the Group and external parties as a gift which can be seen as a bribe that may tarnish the Group's reputation or be in violation of the MACC Act.

It is the responsibility of the Employees to inform external parties involved in any business dealings of the Group that the Group practices a "No Gift" Policy and to request the Business Associate's understanding for and adherence with this Policy.

1.1. Receiving of GEHTDS

- a) The Group is aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging the Group's "No Gift Policy", some external parties may still insist in providing GEHTDS to the Employees.
- b) Although the general principle is to immediately refuse or return such GEHTDS, accepting a GEHTDS on behalf of the Group is allowed only in very limited circumstances, whereby refusing the GEHTDS is likely to seriously offend and may sever the Group's relationship with the Business Associate. However, in no circumstances may a Party accept GEHTDS in the form of cash or cash equivalent.
- c) In these circumstances, the Employees are expected to immediately record in the GEHTDS register and seek approval from the Human Resource Department.
- d) The Human Resource Department would be required to have access to GEHTDS and conduct one of the following:-
 - i) Reject the gift and return the same to the Business Associate with a note of explanation about the Group's "No Gift" Policy.
 - ii) Approve the GEHTDS and determine the treatment of the gift whether to:
 - Donate the gift to charity;
 - Hold it for department display;
 - Share with other employees in the department; or
 - Permit it to be retained by the employee.

1.2. Provision of GEHTDS

- a) Generally the Employees are not allowed to provide GEHTDS to third parties with the exception to the general rule whereby the receiving and provision of the GEHTDS are permitted in the following situations:-

- i) Exchange of gifts at the company-to-company level (e.g. gift exchange between companies as part of an official company visit).
 - ii) Gifts from the Group to external institutions or individuals in relation to the Group's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event).
 - iii) Gifts from the Group to employees and directors and/or their family members in relation to an internal or externally recognized Group function, event and celebration.
 - iv) Token gifts of nominal value normally bearing the Group's logo or that are given out equally to members of the public and are deemed as part of the Group's brand building or promotional activities.
 - v) GEHTDS to external parties who have no business dealings with the Group.
- b) Any provision of GEHTDS has to be recorded in the GEHTDS's register.

Even in the above exceptional circumstances, the Employees are expected to exercise proper judgement in handling GEHTDS and behave in a manner consistent with the general principles set out in the Code of Ethics of the Group. The Group should not solicit any GEHTDS from any Business Associate directly or indirectly.

The Group should avoid from offering and/or accepting GEHTDS from government officials without the approval from the Board of Directors.

The Group should not exercise any of its resources to make any direct or indirect political contributions to any political party without the approval from the Board of Directors.

The Group must ensure that all Donation and Sponsorship 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. Steps must be taken to ensure that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials nor act as conduit to fund illegal activities in violation of any applicable law. When in doubt, employees can escalate the matter to Executive Director to determine the authenticity of such requests.

Facilitation of Payments

The Group adopts a strict stance in disallowing Facilitation of Payments.

In the event of an encounter with any requests for a Facilitation of Payments, the Employees are expected to notify their immediate superior. In the event that such payment has been made and the Employees are unsure of the nature, their immediate superior must be immediately notified and consulted. Such occurrence has to be recorded in a register for audit purposes.

In the event that the safety of the Party is at stake, a Facilitation of Payment is permitted if:-

- a) That the Facilitation of Payment is the immediate available recourse to protect the safety and wellbeing of the Employees; and
- b) Approval has been obtained from an Executive Director.

Non-Compliance

The Group would take immediate action against any party who did not adhere to the Policy and Procedure. This may include but not limited to the termination of employment, business arrangements, initiation of legal action and/or notification to the authorities.

Any Parties found guilty by the authorities pursuant to Section 17A(2) of the MACC Act, is punishable by a fine not less than ten (10) times the sum or value of the gratification which is the subject matter of the offence, where the gratification is capable of being valued or is of a pecuniary nature, or RM1.0 million, whichever is higher or imprisonment for a term not exceeding 20 years or both.

Record Keeping

The Group would keep and maintain data, record and documents in accordance with statutory and regulatory requirements. The Group would have appropriate internal controls in place to safe-keep, archive, retrieve, retain and store proper records.

Whistleblowing Channel

The Group has established a Whistleblowing Policy which details the Group's policies and procedures in relation to disclosure of any known malpractices or wrongdoings occurred in the Group.

The Employees who encounter actual or suspected violations of this Policy and Procedure are required to report their concerns. The parties are responsible to ensure that suspected Bribery and Corruption incidents are reported promptly via the procedures set out in the Whistleblowing Policy which is made available in the Group's website.

Reports made in good faith, either anonymously or otherwise, would be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.

Awareness and Training

The Group is committed in arranging awareness programmes and provide training for all Employees on an annual basis to refresh awareness in relation to the Policy and Procedure and to continuously promulgate integrity and ethics.

In addition, the Group will provide training in relation to the Policy and Procedure to all new recruits.

Monitoring, Periodic Review and Disclosure

This Policy and Procedure should be reviewed annually and may be amended by the Board as it deems appropriate.

This Policy and Procedure should be disclosed on the Company's website.