



# XIN SYNERGY GROUP BERHAD

200201024617 (592280-W)

## ANTI-BRIBERY AND CORRUPTION POLICY

### 1 Policy Statement

- 1.1 Xin Synergy Group Berhad and its subsidiaries (“XSGB” or “the Group”) is committed to conducting business transparently, honestly and with integrity. Therefore, it is important that the Group shall always observe and ensure compliance with this Anti-Bribery and Corruption Policy (“ABC Policy” or “the Policy”) and applicable laws, rules and regulations in the performance of their duties.
- 1.2 This ABC Policy applies to all employees (including full-time, contract, part-time, temporary staff or interns) and any other person providing services to XSGB, including contractors, sub-contractors, consultants, vendors, IT service provider, lorry transporters, external agencies and/or any other party with a business relationship with XSGB (“agents”).
- 1.3 To provide information and guidance to those working for the XSGB how to recognize and report on any incidence of corruption or gratification or bribery that has happened or may be happening with any employee or agents of XSGB.
- 1.4 This Policy set out the Group’s responsibilities, and the responsibilities of those working for or with the Group in observing and upholding the Group’s position, on bribery and corruption. To ensure that the Group has adequate Standard Operating Procedures (“SOP”) in place to prevent and detect bribery and corruption.

### 2 Responsibilities

#### 2.1 Management

- 2.1.1 To implement the Policy by setting out the Anti-Bribery and Corruption Standard Operating Procedures.
- 2.1.2 To approve relevant anti-bribery and corruption training on compliance and awareness for employees.
- 2.1.3 To evaluate the effectiveness of the procedures adopted from time to time and advise the Board of Directors of any changes that may be required of the Policy.
- 2.1.4 To communicate the Policy and SOP to all employees.
- 2.1.5 To communicate the Policy to all agents of XSGB.
- 2.1.6 To recognize the types of gratification, bribery and corruption that may occur within the business of XSGB.
- 2.1.7 To ensure an adequate system of internal control exists and operates effectively to minimize the opportunity for employees and agents to receive or give or offer any form of gratification, a bribery inducement in the conduct of XSGB’s business for personal benefit or for the benefit of XSGB.
- 2.1.8 To ensure new employees and agents are given approved briefing on ABC Policy and SOP.



## 2.2 Employees

- 2.2.1 To act ethically and with integrity at all times especially when he or she is representing XSGB.
- 2.2.2 To report any incidence of gratification, bribery or corruption to the person specified in Section 5 Reporting and Investigation below as soon as the employee has knowledge or becomes aware of such incidence.
- 2.2.3 To not give, agree to give, promise or offer to or accept from any person/party, any form of gratification or bribery either voluntarily or when asked to do so in the conduct of XSGB's business for personal benefit or for the benefit of XSGB.

## 3 Forms of Corruption

### 3.1 Bribery

3.1.1 Bribery is an inducement or reward offered, requested, promised or provided with the intent to obtain or retain any commercial, contractual, regulatory, business or personal advantage in the conduct of business for XSGB. Hence, the employees shall not:

- give, agree to give, promise, or offer to any person/party any gratification payment, gift, hospitality or other benefit with the intent that a business or advantage will be received or retained in return, or to reward any business received or retained;
- accept any offer from any person/party that he/she knows or suspects, is made with the intent that XSGB will provide or retain a business or advantage for that person/party or any other person/party;
- give, agree to give, promise or offer any gratification to a government official in any country to facilitate or speed up a routine or necessary procedure; and
- threaten or retaliate against any person/party who refuses to offer or declines any form of gratification or bribery or who has raised concerns about possible bribery or corruption.

3.1.2 Bribes can take many forms, for example:

- money (or cash equivalent such as shares);
- unreasonable gifts, entertainment or hospitality;
- kickbacks;
- unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents);
- unwarranted allowances or expenses;
- "facilitation" payments;
- political or charitable contributions;
- uncompensated use of XSGB's services or facilities; or
- anything else of value.



### 3.2 **Gifts and Hospitality**

- 3.2.1 Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships. However, all gifts and hospitality should be for a genuine purpose, reasonable and given in the ordinary course of business.
- 3.2.2 Lavish, unreasonable gifts or hospitality, whether given or received are unacceptable as they can create the impression that XSGB is trying to obtain or receive or retain favorable business treatment or advantage by providing individuals with personal benefits.
- 3.2.3 Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift. Gifts must not include cash or cash equivalent or be given in secret.

### 3.3 **Facilitation Payments or Kickbacks**

- 3.3.1 XSGB and its service providers should not make, nor accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are unofficial payments, no matter how small, made to public official in order to secure, expedite actions or increase the speed at which they do their job. All employees and service providers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback is made or accepted by XSGB.

### 3.4 **Charitable Contribution and Sponsorship**

- 3.4.1 XSGB will have to ensure that donations to charities and other recipients are not disguised illegal payments to public officials in violation of the Malaysian Anti-Corruption (Amendment) Act 2018 ("MACCA 2018") or other applicable anti-bribery and corruption laws. The following guidelines should be followed before making a donation to a charitable entity or a donation under its social development programs.
- The donation should generate publicity or goodwill for XSGB and/or demonstrate XSGB's commitment to the community.
  - The donation must not be related to, dependent on, or made in order to win or influence a business deal or decision or advantage.
  - The donation must be given directly to the relevant charity or organization and not to an individual.

### 3.5 **Record Keeping**

- 3.5.1 XSGB's books and records must accurately and properly reflect the nature and purpose of any payments made or received, and the nature of any transactions entered into. XSGB should:



- keep financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to third parties.
- ensure that all expense claims relating to hospitality, gifts, or expenses incurred are submitted and specifically record the reason for the expenditure.
- prepared and maintained with strict accuracy and completeness for all accounts, invoices, and other similar documents and records related to dealings with Third Parties.

#### 4 Raising Concern

4.1 All employees are encouraged to raise genuine concerns about possible improprieties in the conduct of XSGB’s business, whether in matters of financial reporting or other operational or non-operational irregularities or malpractices, at the earliest opportunity in an appropriate way. If any employee believes reasonably and in good faith that bribery and corruption practices or activities exist in the workplace, then he/she should report this immediately to his/her line manager or to the most senior person in the division or department.

4.2 However, if for any reason he/she is reluctant to do so, then he/she should report his/her concern in writing by email or speak in confidence to either of the following individuals:

Name	: Tan Boon Wooi	: Kor Ming Keat
Designation	: Executive Director	: Chairman of Audit Committee
Email	: tanbw@xinsynergy.com.my	: whistleblowing@xinsynergy.com.my
Telephone	: +604-668 1686	: +604-668 1686
Mail	: Xin Synergy Group Berhad 556H, Century Garden, Jalan Sultan Azlan Shah, Kampung Batu Uban, 11700 Gelugor, Pulau Pinang. Attention: Executive Director <i>(Please mark “Strictly Confidential”)</i>	: Xin Synergy Group Berhad 556H, Century Garden, Jalan Sultan Azlan Shah, Kampung Batu Uban, 11700 Gelugor, Pulau Pinang. Attention: Chairman of Audit Committee <i>(Please mark “Strictly Confidential”)</i>

#### 5 Reporting and Investigation

5.1 XSGB will investigate any report made internally or via verbally. All reports will be handled confidentially. The investigation will document all relevant facts, including persons involved, times and dates.

5.2 Any reports made for violation of this Policy will be treated very seriously and accordingly, employees are responsible to ensure that:



- 5.2.1 They exercise sound judgment that it is a genuine threat and violation of this Policy;
  - 5.2.2 They have evidence to support their allegations of any violations of this Policy;
  - 5.2.3 They are available to provide evidence in any inquiry of such violations; and
  - 5.2.4 They are not frivolous reports with the motive to scandalize.
- 5.3 Employees who raised concerns will be contacted if any further assistance is required and will be informed of who is handling the matter. Employees' identities will not be disclosed without prior consent. Where concerns cannot be resolved without revealing the identity of the employee raising the concern, XSGB will enter into dialogue with the employee concerned as to whether and how it can proceed.
- 5.4 Recommended actions will be taken in light of the outcome of the investigation, including disciplinary steps where appropriate, action to correct any behavior in breach of this Policy or other unfavorable treatment connected with raising a concern.

## **6 Training**

- 6.1 Training on awareness of this ABC Policy and SOP and its compliance forms part of the induction process for all new employees, officers and directors. All employees, officers and directors shall receive relevant training on how to implement and adhere to this Policy.
- 6.2 Agents or representatives of XSGB who are consultants, independent contractors, sub-contractors, external agencies or any other party with a business relationship with XSGB will be informed of this Policy. They will be required to sign a copy of the said Policy as an acknowledgement that they understand and will adhere to it. All agents or representatives will be informed whenever significant changes are made to this Policy.

## **7 Monitoring and Review**

- 7.1 XSGB monitors the effectiveness and reviews the implementation of this Policy at appropriate intervals, considering its suitability, adequacy and effectiveness. Any improvement identified is made as soon as possible. Internal control systems and procedures are also subject to regular reviews to provide assurance that they are effective in countering any risks of corruption.