

ANTI-CORRUPTION POLICY AND PROCEDURES



YX PRECIOUS METALS BHD (202101001245) (1401543-M)
(Incorporated in Malaysia)

YX Precious Metals Bhd
Yi Xing Goldsmith Sdn Bhd
Gemas Precious Metals Industries Sdn Bhd
GPM Refinery Sdn Bhd
Emas Assayer Sdn Bhd
(Collective known as "YXPM" or "the Group")

Anti-corruption Policies and Procedures

1. INTRODUCTION

The Board of Directors and the Management of YXPM, together with that of its subsidiaries are committed to adhering to the applicable laws and regulatory requirements on anti-corruption.

In this regard, YXPM has the necessary procedures in place and duly implemented to prevent its employee(s) and / or associated persons from undertaking corrupt practices in relation to its business activities.

All employees of YXPM shall be required to confirm their receipt and understanding of this Anti-Corruption Policy and Procedures.

The policy/slogan adopted by YXPM for the anti-corruption is SAY **NO** TO CORRUPTION.

2. SOLICITATION, BRIBERY AND CORRUPTION

- 2.1 You are prohibited from, directly or indirectly, soliciting, accepting or obtaining or agreeing to accept or attempting to obtain, from any party for yourself or for any other party, any bribe or gratification as an inducement or a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation the YXPM's affairs or business, or for showing favour or forbearing to show disfavour to any party in relation to YXPM's affairs or business.
- 2.2 You may not directly or indirectly, offer, promise or give any bribe or gratification as an inducement or a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation the YXPM's affairs or business, or for showing favour or forbearing to show disfavour to Group in relation to Group's affairs or business, whether in the form of a facilitation payment, kickback, fee or any other form.
- 2.3 You should satisfy yourself concerning the status and probity of any supplier, contractor, sub-contractor, agent, consultant, representative or other person who you engage to act for or on behalf of YXPM or in relation to YXPM's affairs and business and confirm that the relevant party understands and accepts YXPM's policies prohibiting improper solicitation, bribery and corruption. Suppliers, contractors, sub-contractors, agents, representatives and others must comply with such policies when performing work or services for or on behalf of companies in the YXPM Group.

Conduct Due Diligence (Supplier) Procedures: -

- i. Circulate the Anti-Corruption Declaration Form to relevant third parties in the supply chain with YXPM group (new suppliers) and obtain their acknowledgment to confirm their agreement on Anti-Corruption Policy And Procedures
- ii. Conduct due diligence on new suppliers but was not limited to background checks, documents, CTOS verification process to identify and protect the business from any potential corruption risk on the companies. In addition, the Anti-Corruption Declaration Form to be attached with the Application For New Supplier Form after obtaining acknowledgment from the supplier.
- iii. Conduct the Supplier Evaluation And Audit Form on every supplier every 5 years to mitigate potential corruption risks, analyze which supplier can establish an ongoing relationship, and compile the Approved Supplier List.

Reference Documents:

- i. Anti-Corruption Declaration Form
- ii. Application For New Supplier Form
- iii. Supplier Evaluation And Audit Form

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- 2.4 Even the appearance of conduct prohibited by this Section 2, or any other measure that is unethical or that will tarnish YXPM's reputation for honest and integrity, must be avoided. If you are unsure whether an action is permitted, seek guidance before acting from your immediate superior or Head of Internal Audit Department.

Conduct Due Diligence (Employee) Procedures:-

New employees of YXPM group are required to read this YXPM's Anti-Corruption Policy And Procedures before signing the Offer Of Appointment letter. The Offer Of Appointment letter shall be documented and retained by the Human Resources Department.

Reference Documents:

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- 2.5 If you receive a request for a bribe or if you are offered a bribe, you are to report it to Head of Human Resources Department via Declaration Form For Acceptance of Gifts / Offered a Bribe* / Entertainment.
- 2.6 In this part, a "bribe" or a "gratification" is any gift, payment, benefit or other advantage, pecuniary or otherwise, offered, given or received in order to secure an undue or improper result, award, decision, benefit or advantage of any kind. A bribe need not involve cash or another financial asset – it can be any kind of advantage, including unpaid use of corporate services or property, loan guarantees or the provision of employment to the family and friends of people with whom YXPM deals.

3. RECEIVING FACILITATION PAYMENTS

- 3.1 You are prohibited from, directly or indirectly, accepting or obtaining or attempting to accept or obtain facilitation payments from any person for yourself or for any other person.
- 3.2 In this part, the term "facilitation payments" generally means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.

4. PROHIBITION ON COMMISSIONS, DISCOUNTS AND SECRET PROFITS

- 4.1 You must not, directly or indirectly, receive or obtain, in respect of any goods or services sold or purchased or other business transacted (whether or not by you) by or on behalf of YXPM, any discount, rebate, commission, service, interest, consideration of value or other benefit or payments of any kinds (whether in cash or in kind) which is not authorised by YXPM's rules, policies and guidelines.

5. ACCOUNTING FOR SECRET PROFITS OR GAINS

- 5.1 You who, directly or indirectly, obtains any discount, rebate, commission, service, interest, consideration of value or other benefit or payments of any kind (whether in cash or in kind and whether as a bribe or otherwise), by virtue of his / her position or authority with or on behalf of YXPM, will immediately disclose such receipt to the Human Resources Department via Declaration Form For Acceptance of Gifts / Offered a Bribe* / Entertainment.

6. RECEIVING GIFTS AND ENTERTAINMENT

- 6.1 You are required to comply with the policies and procedures of your Human Resources Department relating to the receipt of gifts and entertainment via Declaration Form For Acceptance of Gifts / Offered a Bribe* / Entertainment.
- 6.2 In no event, however, may you or any of your family / household members accept gifts or entertainment in exchange for an exercise or non-exercise of your YXPM authority or otherwise to the detriment of YXPM.

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7. PROVIDING GIFTS, ENTERTAINMENT, DONATION AND SPONSORSHIP

- 7.1 In recognition of the reality of commercial and business practices, YXPM acknowledges that gifts and reasonable entertainment are acceptable as part of the normal course of business (including festivities and entertaining guests / visitors) provided that, such gifts, entertainment, donation or sponsorship are not supplied, or received, in circumstances indicating an inducement or reward has been given, or received.
- 7.2 The giving of modest gifts and reasonable acts of hospitality are allowed by YXPM only as a legitimate means of building goodwill in business relationships.
- 7.3 Any donations or sponsorships in cash or in kind offered to charitable organisations, non-governmental organisations, governmental organisations, political organization / initiatives, unions, cultural or community groups in the name of or on behalf of YXPM will be evaluated on a case to case basis and with due regard to the merits of the donation/sponsorship request.
- 7.4 The following conditions must be followed:-
- (a) They must be made in good faith without any corrupt intent;
 - (b) They must be carried out in an open and transparent manner;
 - (c) They must be reasonable in cost, quantity and frequency;
 - (d) They must not create any obligation or expectation on the recipient;
 - (e) They must not create a conflict of interest or compromise the integrity of anyone;
 - (f) They must not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction;
 - (g) They must be in accordance with all applicable laws, and relevant policies and procedures of YXPM;
 - (h) They must be connected to a legitimate business promotional activity or a part of the YXPM's corporate social responsibility programme;
 - (i) They must not be made, carried out without prior approval of the Group Managing Director or Executive Director; and
 - (j) They must be properly recorded, substantiated to support the above, approved and retained in accordance with the policies and procedures of YXPM.

8. PUBLIC OFFICIALS

- 8.1 You are prohibited from offering gifts and entertainment, including travel related expenses, to government officials or their family / household members without permission from the Group Managing Director or Executive Director.
- 8.2 You are prohibited from paying for non-business travel and hospitality for any government official or his / her family / household members without the permission from the Group Managing Director or Executive Director.
- 8.3 You may not offer or provide gifts or anything else of value to any person, such as an agent, consultant or contractor, if you know or suspect that a government official or his / her family member will be the indirect beneficiary or recipient other than as approved by the Group Managing Director or Executive Director.
- 8.4 You may not take action to circumvent the prohibitions in this Section 8. You must in every instance comply with the rules concerning solicitation, bribery and corruption set out in the other Sections and applicable laws concerning bribery and corruption.
- 8.5 In this part, the term "government officials" includes, without limitation, candidates from public office or officials of any political party.

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9. RISK ASSESSMENT AND POLICY REVIEW

- 9.1 A risk assessment relating to bribery and corruption risk shall be integrated into the Group's annual risk assessment to determine the level of risk faced by YXPM. You are to determine the types of controls / resources required to mitigate the level of risks in these areas.

Reference Documents:

Anti-corruption Framework
Corruption Risk Register

- 9.2 The policy and programmes / procedures of the Anti-Corruption shall be reviewed periodically to assess their effectiveness, and in any event, at least once in every 3 years to ensure it continues to remain relevant, appropriate and effective.
- 9.3 Accounts Department will review the financial transaction and report, for example payment processing, to prevent the occurrence of corruption.
- 9.4 Internal Audit Reviews, which are undertaken according to the Internal Audit Plan on a yearly basis, provide independent assurance on the adequacy, existence and effectiveness of the governance, risk management and control processes.

10. RAISING CONCERNS

- 10.1 Any person who learns of any attempted, suspected or actual bribery or corruption activities and / or violation of this Anti-Corruption Policy and Procedures or applicable laws, is responsible to promptly report the concern through the following channels:-

- (a) As prescribed by the Whistleblowing Policy of YXPM;
- (b) As prescribed by the Anti-Corruption Policy and Programmes of YXPM

- 10.2 Further details can be found in YXPM's corporate website at <https://yxgroup.com.my/corporate-governance/whistleblowing-policy.htm> and <https://yxgroup.com.my/corporate-governance/anti-corruption-programme.htm>

11. VIOLATION

- 11.1 Any violation of the Anti-Corruption Policy and Procedures by the employees of YXPM will attract serious repercussions and disciplinary action after due inquiry.
- 11.2 Employees who are found to have assisted or facilitated the violation of the Anti-Corruption Policy and Procedures, whether actively or by way of negligence or omission, will also be deemed to have violated the Anti-Corruption Policy and Procedures and committed a misconduct.
- 11.3 Actions by YXPM may include:-
- (a) Dismissal
 - (b) Legal action
 - (c) Filing a police report
 - (d) Filing a report to Malaysian Anti-Corruption Commission

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12. COMMUNICATION

- 12.1 The YXPM's Anti-Corruption Policy And Procedures will be conducted both internally and externally to the Employees and Business Associates.
- 12.2 Communication channels may include but are not limited to:
 - i. Anti-Corruption Policy And Procedures on YXPM's intranet and website;
 - ii. Memorandum and laminated slogan pasted within YXPM main notice board; and
 - iii. Provide training using presentation slides of Anti-Corruption Policy And Procedures.
- 12.3 Communications shall be conducted when new policies and procedures or updates are made.
- 12.4 Communications are done in Chinese, English or Bahasa Malaysia.

13. TRAINING POLICY

- 13.1 YXPM will provide adequate training for all Employees to ensure understanding of the YXPM's Anti-Corruption Policy And Procedures, especially in relation to their role within or outside the Company every 5 years or any updates in the YXPM's Anti-Corruption Policy And Procedures.
- 13.2 YXPM conducts training in a variety of formats, including but not limited to the corporate training program, intranet or web-based program.

I, _____, hereby declare that I have read and understood the Anti-Corruption Policy and Procedures and the responsibilities required of me in relation to the said Policy and Procedures.

Name: _____

NRIC _____

Designation: _____

Date _____

Signature: _____

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Revision History:

Version No	Date	Amended by	Approved by
V1.0	14 April 2021	Samuel Sia	Ng Sheau Chyn
V2.0	14 December 2022	Samuel Sia	Ng Sheau Chyn

Change History:

Version No	Change Details
V1.0	Initial Policy
V2.0	Add on additional procedures as per IA recommendations