



LEONG HUP INTERNATIONAL BERHAD

(201401022577) (1098663-D)

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CODE OF CONDUCT AND ETHICS FOR EMPLOYEES

- 1) The Code of Conduct and Ethics (the "Code") encompasses policies and guidelines which applies to all employees of Leong Hup International Berhad ("LHI") and its subsidiaries (the "Group") during the course of his/her employment term and when performing his/her duties.
- 2) The Code shall be in addition to the terms and conditions of his/her employment contract, and the Group's established rules and regulations, which are subject to amendments when it deems necessary from time to time.
- 3) LHI's Board of Directors ("the Board") will review the Code periodically. Any revision shall be approved by the Board.
- 4) The Group Chief Executive Officer shall ensure that the Code shall be communicated to all employees of the Group and it shall also be published at LHI's corporate website.

DEFINITIONS

The following definitions shall apply to the Code:

"ABC policy" refers to the Group's Anti Bribery and Corruption policy.

"ARC" refers to the Group's Audit and Risk Committee.

"Board" refers to LHI's Board of Directors.

“Customers” refers a person, agent, company, organisation or business that purchases products or service from the Group.

“Employees” refers to all permanent, part-time, probationary, contracted, interns, agency staff, temporary and casual employees of the Group.

“Group” refers to Leong Hup International Berhad and its subsidiaries.

“Suppliers” refers to the Group’s main and sub-contractors, agents, distributors or any third parties performing or providing work or services for or on behalf of the Group.

1. STANDARD OF CONDUCT

- a) All employees shall observe and comply all rules, regulations, procedures, practices, orders, directives and policies of the Group whether expressed or implied in the form of terms and conditions, law or by custom and practice.
- b) All employees shall during the course of his/her employment with the Group perform their duties and responsibilities professionally, diligently and ethically.
- c) All employees are expected at all times to embrace and support the Group’s vision, mission and corporate values and shall not do anything to bring disrepute to the Group.
- d) The Group does not tolerate any form of abusive or coercive behaviour whether verbal or physical, threat or harassment among its employees.

2. CONFIDENTIALITY

- a) Employees are not permitted during or after termination of their employment to discuss or disclose confidential information in relation to the Group directly or indirectly to any person not limited to colleagues, business partners, customers, suppliers unless:
 - i) Such information has previously been made public knowledge; or
 - ii) Upon approval of the Group; or
 - iii) Required to do so by law.

3. CONFLICT OF INTEREST

As stipulated in the Group’s ABC policy, all employees discharging their duties on behalf of the Group or engaged in other work must avoid conflicts of interest. In situations where a conflict occurs or is perceived to occur, the employee is required to declare the matter to the Compliance Officer immediately, for appropriate actions to be taken.

4. CORPORATE OPPORTUNITIES

Employees are not permitted to acquire personal opportunities or gains through the use of Group’s assets, information or position or use it to compete against the Group for business.

5. COMPANY ASSETS AND FACILITIES

All employees shall make proper use of company assets and facilities for legitimate business activities only and to protect against damage, loss, theft or abuse.

6. ABUSE OF POWER

The abuse of power is defined as improper use of power, authority or position of influence by a person towards others be it other employees, current or potential suppliers, customers, business associates and etc to gain personal interest and benefits. Employees shall report such incidents or have reasons to believe abuse of power is occurring to their immediate superior or to the ARC in accordance with the Group's Whistle Blower Policy.

7. CRIMINAL ACTIVITIES AND CRIMINAL BREACH OF TRUST (CBT)

All employees shall not commit any criminal behaviours / activities or CBT in violation of any law of the country in which the Group conducts its business. Under the Malaysian law, CBT is as defined under the Penal Code (Act 574).

8. BRIBERY AND CORRUPTIONS

The Group does not accept or tolerate any form of bribery and corruption as stipulated in the Group's ABC policies.

9. GIFTS AND HOSPITALITY

The giving and receiving of modest gifts and reasonable acts of hospitality are allowed by the Group only as a legitimate mean of building goodwill in business relationships. These must be done in accordance with the approval and requirements as stipulated in the Group's ABC policy.

10. UNAUTHORISED COMMUNICATION

All employees are strictly prohibited from spreading or sending any kind of unauthorised pictures, messages, comments and rumours in relation to the Group in any form of communication channels including social media, emails and voice or text messages that may create or cause damage to the reputation of the Group.

Any participation in social and political activities by employees shall not involve the Group's name, logo or any association thereof unless prior approval is obtained from the Group Chief Executive Officer or the respective Country Chief Executive Officers.

11. INSIDER TRADING

- a) Employees shall not disclose non-public price sensitive information to any person (including family members) where such information may be used by such person to trade or advise other persons to trade in the Group's shares.
- b) Employees shall ensure that all transactions in the Group's shares comply with Capital Markets and Services Act 2007 and the procedures as set out in Bursa Malaysia Listing Requirements or other applicable laws of the respective countries outside Malaysia.

12. MONEY LAUNDERING

- a) Money laundering is the process of concealing, converting and transferring proceeds from unlawful activities to a legitimate source of income or asset. All employees shall be aware and abide by the Anti Money laundering laws of their respective countries.
- b) Employees must report any suspicious transactions to their immediate superiors or to the ARC in accordance to the Group's Whistle Blower policy.

13. ANTI-COMPETITION

All employees are expected to comply with the Anti-Competition laws of Malaysia including Competition Act 2010 (Act 712) and Competition Commission Act 2010 (Act 713) as well as any other country in which the Group operates in. No employee should assume that the Group's interest ever requires otherwise. Prohibited conducts include agreements among competitors on maximum or minimum prices, discounts, rebates, or credit terms. The mere existence of such agreements is illegal, even if employees involved did not act upon them or even if their action enhanced rather than harmed competition.

14. DRUG, ALCOHOL AND PROHIBITED SUBSTANCE

The Group has strict policy against the use, possession, distribution or sale of illegal drugs, prohibited substances and excessive alcohol abuse. Employees shall not report for work or carry out their duties in the course of their employment under the influence of drugs or alcohol.

15. SEXUAL HARASSMENT

- a) Sexual harassment is defined as unwelcome **sexual** advance, unwelcomed request for **sexual** favours or other unwelcome conduct of a **sexual** nature, which makes a person feel offended, humiliated and/or intimidated. The common forms of sexual harassment are verbal and non-verbal harassment, gestural harassment, visual, physical and psychological harassment.
- b) The Group promotes a safe and healthy working environment with strong mutual respect among employees irrespective of position or gender and should be treated with dignity and free from sexual harassment.

- c) Employees are strictly prohibited from engaging in any form of harassment, humiliation and intimidation of sexual nature in the work place or facility, or occurring outside the workplace during meetings, training, company events, social functions, work related travels, phone and electronic media communication and any other forms of activities as a result of employment or when performing duties.

16. VIOLATIONS AND BREACH OF THE CODE AND EMPLOYMENT RULES AND REGULATIONS

- a) Any employee who commits violation of the Code, criminal wrongdoings, misconduct, breach of the established rules and regulations or employment contract shall be dealt with in accordance with the Human Resource Department's disciplinary policies and procedures and/or be liable in the court of law.
- b) Human Resource Department will conduct an investigation and perform a fair domestic inquiry exercise to determine if the employee is guilty or otherwise of the conduct alleged.
- c) Depending on the level of the offense or misconduct committed, the employee may be subject to any of the following punishments:
 - i) Dismissal without notice
 - ii) Downgrade / Demotion
 - iii) Suspension without pay
 - iv) Withholding of promotion / increment/ bonus
 - v) Written warning

All employees caught with criminal wrongdoings will be dismissed immediately and a report shall be lodged to the police authority for further actions.

- d) Employees shall report to his/her immediate superior any violations or misconduct committed by other employees or to the ARC in accordance to the Whistle Blower Policy.