



HARTANAH KENYALANG BERHAD

[Registration No: 202401034991 (1580838-V)]

CODE OF CONDUCT AND ETHICS FOR BOARD OF DIRECTORS

1. INTRODUCTION

This Code of Conduct and Ethics for Board of Directors (“Code”) sets out the ethical framework, guiding principles and standards applicable to the Board of Directors (“the Board”) of Hartanah Kenyalang Berhad (“the Company”) and its subsidiaries (“the Group”). As Directors of the Group, they are expected to adhere to, comply with and uphold the provisions of the Code.

This Code is not intended to be exhaustive. It should be read in conjunction with the existing framework of all relevant laws and regulations, as well as the directives and policies of the Company and the Group including any relevant best practices or standards in corporate governance and provisions of the constitutions of the companies within the Group.

2. DEFINITION

In the context of this Code, Director has the meaning assigned to it in the Companies Act 2016 and includes the managing director, the chief financial officer and any other person primarily responsible for the management of the Company.

3. OBJECTIVE

The objective of this Code is to provide guidance on the high standards of corporate governance and corporate behaviour expected of all Directors of the Group.

4. FUNDAMENTAL PRINCIPLES

Directors shall act within the authority conferred upon them in the best interests of the Group and shall: -

- (a) Act in the best interest of, and fulfil their fiduciary obligations to the Group and its shareholders;
- (b) Act honestly, fairly, ethically and with integrity;
- (c) Conduct themselves in a professional and respectful manner and not take improper advantage of their position;
- (d) Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- (e) Use their prudent judgment to avoid or abstain from all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Group, and to inform the Board, at the earliest opportunity, of any actual, perceived, or potential conflict of interest situation;
- (f) Not exploit for his or her own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the Group declines to pursue such opportunity for its business interest;
- (g) Act to enhance and maintain the reputation of the Group; and

- (h) Incorporate sustainability principles into decision-making processes and, where possible, implement Environmental, Social and Governance (“ESG”) strategies across the Group’s operations.

Directors who are appointed by virtue of their position as representatives of a shareholder, must act in the best interest of the companies within the Group in which they act as board members. In the event of any conflict between their duties to act in the best interest of the Group and their duties to their nominator, they must not subordinate their duties to act in the best interest of the Group to their nominator.

5. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

For all intent and purposes, all Directors shall always observe and ensure compliance with all applicable laws, rules and regulations including the constitution of the Company or the companies within the Group to which they are bound to observe in the discharge of their duties.

6. ABUSE OF POWER

Directors should exercise their power wisely and use their power appropriately in accordance with the delegation of authority. Power and position should not be abuse for self-gain, such as: -

- (a) Allocating the Group’s resources to gain personal interest;
- (b) Pressuring employees to distort facts or break rules;
- (c) Requesting employees to attend to personal favours or errands for personal gain; and
- (d) Bullying and harassing behaviour.

7. CONFLICT OF INTEREST

A conflict of interest occurs when an individual’s private interest interferes in any way with the interests of the Group. Directors are expected to make business decisions in the best interest of the Group and should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Group.

Directors must not use their position or knowledge gained directly or indirectly in the course of their duties for private or personal advantage.

Directors are required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, or whether actual, perceived, or potential, with the Group, and if so required, to abstain themselves from any deliberation and decision relating thereto.

8. ANTI-BRIBERY AND CORRUPTION

To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their own capacity or on the Group’s behalf) are strictly prohibited from being involved in bribery or corrupt acts. The Group expects the same from its customers, vendors, suppliers, contractors, third parties and business partners who conduct business for and on behalf of the Company and / or the Group.

8.1 Kickbacks, Commissions, Incentives, Facilitation Payments

The following practices are strictly prohibited by the Group:

- Accepting and giving kickbacks
- Accepting commission and incentive payments in a personal capacity from third party
- Giving facilitation fees to expediate the performance of a routine action by a public body

8.2 Gifts and Entertainment

Generally, the receipt or giving of reasonable gifts and entertainment by the directors and employees are not prohibited, provided that such actions are conducted without corrupt intent, reasonable, bona fide and commensurate with their positions. Gifts and entertainment should not in any event, be too lavish or expensive.

Directors must refrain themselves from offering, giving or receiving any gift and any other form of benefits which involve cash or cash equivalents or which could be evaluated as illegal or improper exchange from persons or entities who deal with the Company or the Group where the gifts would reasonably be expected to influence the performance of the Directors' duties in any aspect, unless they are nominal gifts of commemorative nature, subject to limits and guidelines set out in the Group's Anti-Bribery and Corruption Policy.

9. PROTECTION OF ASSETS OF THE COMPANY

All Directors must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

10. CONFIDENTIALITY

All Directors must exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their directorship, and are strictly prohibited to disclose to any party, unless the disclosure is duly authorised or legally required. Where personal information is involved, the Group is required to safeguard personal data in accordance with the Personal Data Protection Act 2010.

Material information known by a Director that affects the Group and has not yet been publicly released must be held in the strictest confidence by the involved Director until it is publicly disclosed.

11. INSIDER TRADING

Directors who possess information which is not generally available to the public and which, if it were so available, would likely to have a material effect in the market price or market activity of the shares shall not: -

- (a) Deal in securities, if that information has not been made public; or
- (b) Communicate such information to any unauthorised persons, for the benefit of himself or herself or any other persons.

When dealing in the securities, a Director shall comply with the relevant laws on trading in securities and observe such guidelines as may be prescribed by the Company in relation thereto from time to time.

12. ANTI-MONEY LAUNDERING

Directors are prohibited from involvement in money laundering activities, either directly or indirectly.

Directors are expected to be mindful of the risk of the Group's business being used for money laundering activities and to promptly raise any suspicious transactions to the Company.

Any suspicious transaction shall be reported to the Audit Committee for further review, assessment and deliberation.

13. FAIR DEALING AND ANTI-COMPETITION

In the interests of preserving reputation and integrity of the Group, a Director shall act impartially, honestly and responsibly in dealing with all employees, stakeholders, regulators and public where he or she shall not: -

- (a) Compete or aid/assist other competitors to compete with the Group; and
- (b) Take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

14. RELATIONSHIP WITH SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS

Directors should prioritise the interests of shareholders, employees and stakeholders, ensuring adherence to good corporate governance practices through employee training and awareness programmes, and providing a safe working environment.

Directors must also promote professionalism, enhance the competency of management and employees, maintain a positive and cooperative attitude when dealing with governmental authorities or regulatory bodies.

15. PERSONAL AND FAMILY RELATIONSHIPS

A Director who has a personal or family relationship with another Director, officer or employee of the Company that could affect the credibility of the Company or the actions of the Director must be disclosed to the Board. The Director must also take reasonable steps to ensure that the relationship does not compromise the credibility or reputation of the Company.

16. SAFE, HEALTHY AND CONDUCTIVE ENVIRONMENT

The Group adheres to Occupational Safety and Health Act 1994 and the relevant safety regulations. The Group aims to promote a safe, healthy, drug free and hazard-free environment for its Directors, employees and all stakeholders.

17. NON-COMPLIANCE OF THE CODE

Directors must immediately report any concern about possible or actual breaches of the Code by any Director to the Chairman of the Board.

The Board shall determine appropriate actions to be taken after considering all relevant information and circumstances or may take necessary action to ratify on the non-compliance by Directors.

18. WAIVER

No waiver of any provision of this Code shall be valid unless provided in writing by the Board, as it deems fit and appropriate and in full compliance with any applicable laws or regulations.

19. REVIEW OF THE POLICY

The Board will monitor compliance with the Code and review the Code regularly to ensure it remains relevant and appropriate.