

POH HUAT RESOURCES HOLDINGS BERHAD
CODE OF ETHICS AND CONDUCT

1. INTRODUCTION

- 1.1 In line with good corporate governance practices, the Board, the Management and employees of Poh Huat Resources Holdings Berhad ("Poh Huat" or the "Company") and its subsidiaries (collectively referred to as the "Group") have made a commitment to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. This Code of Ethics and Conduct (the "Code") sets out the principles and standards of business ethics and conduct of the Group.

2. OBJECTIVE

- 2.1 The objective of the Code is to assist the Directors and Employees (including full time, probationary, contract and temporary staff) of the Group in defining ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be additional obligations that Directors and Employees are expected to behave or conduct when performing their duties.
- 2.2 For all intents and purposes, all Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

3 APPLICABILITY

- 3.1 The Code is applicable to all employees ("Employees") and Directors of the Group.
- 3.2 Each Director and Employee has a duty to read and understand the Code. Directors and Employees ranking Officer (for Office and Factory Supervisor) and above are required to submit their written acknowledgement of the Code upon their employment/ appointment and subsequently once every two (2) years.
- 3.3 Violation of any of the Code's provisions can result in disciplinary action, including termination of employment.
- 3.4 If a Director requires further clarification on the Code, the Director may refer or highlight any concerns to the Chairman of the Board/the Executive Directors or the Chairman of the Audit Committee, whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior, Head of Department or the Head of Human Resource.

4 CORE AREAS OF CONDUCT

4.1 Conflicts of Interest

The Directors and Employees 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 and Employees must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).

In addition, a Director or an Employee shall avoid any situation in which the Director or Employee has an interest in any entity or matter that may influence the Director or Employee's judgment in the discharge of responsibilities. This includes any transactions with a related party of the Director or Employee of Poh Huat.

Related party is defined as:

- a) being a family member of the other person, i.e.
 - i. spouse;
 - ii. parent;
 - iii. child including an adopted child and step-child;
 - iv. brother and sister; and
 - v. spouse of the person referred to in (iii) and (iv) above;
- b) being a director, major shareholder, partner, or a person with executive power of an entity or organisation;
- c) being a family member of the person referred in (b) above; and
- d) being a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions, or wishes of the other person.

Among the types of activities that could potentially result in a conflict of interest and would require prior approval are as follows:

- Owning, operating, providing services to or being employed as an employee, consultant or board member by any business that competes, directly or indirectly, with the Company;
- Engaging in any other employment or personal activity during work hours, or using Company supplies and equipment for other employment or personal activity;
- Receiving any payments, compensation, or gifts, other than gifts of nominal value in compliance with applicable laws, from a resident or any entity that does business or seeks to do business with the Company;
- Soliciting Associates, suppliers, or residents during business hours to purchase goods or services of any kind, or to make contributions to any organizations or in support of any causes, unless the Management has granted prior written approval;
- Soliciting or entering into any business or financial transaction with an Associate whom you supervise, either directly or indirectly, unless the Management has granted prior written approval. This restriction applies to all such transactions, however small, and specifically includes, as follows:
 - Co-signing a personal loan for a subordinate;
 - Renting, leasing or subletting residential or commercial real estate to a subordinate;
 - Hiring a subordinate to perform personal services; and
 - Soliciting a subordinate to participate in an investment of any kind with you; and
 - Conspiracy between employees and directors.

- 4.2 All directors and employees of the Group shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Group's Audit Committee. No action may be taken with respect to such transaction or party unless and until such action has been approved by the Audit Committee.

4.3 Confidential Information

It is pertinent that all Directors and Employees 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 employment, and are strictly prohibited to disclose to any person, unless the disclosure is duly authorised or legally mandated.

In the event that a Director or an Employee knows of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or Employee involved until it is publicly released.

4.4 Inside Information and Securities Trading

No Director or Employee shall use price sensitive non-public information, which can affect the prices of the securities of the Company when it becomes publicly known ("Inside Information"), for personal benefit. Directors and Employees are prohibited to trade in securities or to provide information to others to trade in securities of the Company until the Inside Information is publicly released. Directors or Employees shall also not trade in securities in any other companies where they have Inside Information which they obtain in the performance of their duties.

4.5 Protection of Assets and Funds

Directors and Employees 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.

4.6 Business Records and Control

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are the responsibility of each Employee. No unauthorized, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

4.7 Compliance to the Law

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. Directors and Employees are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or within their scope of work. The Group reserves the right to report any actions or activities suspected of being criminal in nature or not compliant with relevant regulations or laws; to the police or other relevant authorities.

4.8 Personal Gifting

No personal gifts, favours, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided.

Gifts, favours, entertainment or services that are deemed as not given to influence the Directors' or Employees' performance of duties include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Directors or Employees on behalf of the Group, are permissible.

4.9 Bribery and Corruption

Directors and Employees shall not give, solicit, offer or promise to give any gratification for his/her own benefit or his/ her relative, with intent to influence his/ her conduct in relation to the Company's affairs. Refer to the Group's Anti-Bribery and Corruption Policy and Framework for policies and procedures relating to bribery and corruption matters.

4.10 Health and Safety

The Group will use its best endeavors to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Group's businesses and activities. Such a commitment in return requires that all Directors and Employees understand and abide by the Group's policies and procedures.

4.11 Sexual Harassment

Sexual harassment by any Director or Employee is unacceptable. It is the Group's policy to provide all Employees with a working environment free from any form of sexual harassment. Any questions concerning issues of such should be directed either to the immediate superior, Head of Department or the Head of Human Resource. All such reports and/or complaints shall be treated with strictest confidence.

4.12 Outside Interest

Directors and Employees shall not engage in an outside interest that will undermine the performance of the Directors and Employees, be in conflict with the businesses of or bring disrepute to the Group.

4.13 Fair Treatment & Equal Opportunity

All Employees are to treat their fellow Employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace.

The Group's policy of non-discrimination in employment applies to recruitment, hiring, compensation, promotions, transfers, discipline, demotions, terminations, access to benefits and training and all other aspects of employment.

4.14 Misconduct

No Director or Employee is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (includes use and abuse of drugs).

5 REPORTING OF VIOLATIONS OF THE CODE

- 5.1 Any Employee who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns to the Management or the Chairman of the Audit Committee (Senior Independent Director). No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

6 REVIEW OF THE CODE

- 6.1 The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.

7 WAIVER OF THE CODE

- 7.1 Waiver of the Code may be granted by the Board of the Company on a case-by-case basis and only in extraordinary circumstances.

8 APPROVAL

- 8.1 The Code of Conduct was revised and approved by the Board on 23 December 2020.