

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)
(Incorporated in Malaysia)

CODE OF BUSINESS CONDUCT AND ETHICS POLICY

This Code of Business Conduct and Ethics Policy (“Policy”) has been adopted by the Board of Directors to provide clear guidance to the Directors and all employees at all levels of HAILY GROUP BERHAD (“Haily” or “Company”) and its subsidiaries (“collectively referred to as “Haily Group” or “Group”) to ensure that they conduct themselves professionally, courteously and respectfully in all matters throughout Haily Group.

This Policy is designed to provide a reference and guidance. Employees should seek appropriate guidance when they are in doubt about the proper course of action in any given situation as it is the ultimate responsibility for each employee to ‘do what is the right thing to do’.

Employees for the purpose of this Policy includes all Directors of the Company both Executive Directors and Non-Executive Directors.

This Policy is accessible on the Company’s website at www.haily.my.

1. POLICY PURPOSES

- a. The aim of this Policy is to ensure that all Directors and any other employees, act in the best interest of the Group in the course of conduct of their affairs, striving at all times to enhance the reputation and performance of the Group.
- b. The rights of fellow Board members, employees and all stakeholders must be respected and each person must be accorded equal opportunity without regard to their race, colours, religion, nationality, age, sex, marital status, mental or physical disability, sexual orientation or gender identity.
- c. Misconduct cannot be excused and all parties are expected to alert management whenever an illegal, dishonest or unethical act is discovered or suspected.
- d. Haily conducts its affairs consistent with all applicable laws and regulations where it carries on its business. Business practices, customs and traditions may differ from state to state, country to country, community to community and entity to entity. Where conflicts arise between Haily’s practices and the practices, customs, laws or traditions in any particular matter and if the conflict cannot be resolved, Haily will not proceed with the proposed action giving rise to that conflict.

2. POLICY SCOPE

a. Respect for the Law

Haily, its Directors and all employees are bound by all applicable laws, rules and regulations.

Compliance with all applicable laws and regulations must be observed and all employees must adhere to all internal Company policies, rules and regulations specific to the Group which may go beyond what is requested by law.

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This Policy should be read in conjunction with and complied with the following policies: -

- i. Board's Policy on Conflict of Interest; and
- ii. Board's Policy on Anti-Bribery and Anti-Corruption.

b. Conflict of Interest

The Board has adopted a Conflict of Interest ("COI") Policy which provides guidance on how to deal with conflict of interest situations. The COI Policy can be viewed at the Company's website.

c. Corporate Opportunities

All employees shall whenever possible, avoid competing with the Group or take personal advantage of business opportunities that arose or may be discovered during the course of their employment unless the Group expressly waives its interest in pursuing such an opportunity.

Where any employees desire to pursue business opportunities that the Group is interested or engaged in, they shall inform their Head of Department or the Human Resources Department who will then seek clearance from the Management or Board where applicable.

In respect of Senior Management employees and taking into consideration the processes as set out in the Board's COI Policy, the issue should be brought to the attention of the Chief Executive Officer ("CEO") or in his absence any one of the Executive Directors and in respect of the Board members, it should be brought to the attention of the Audit and Risk Management Committee ("ARMC") for review before being brought to the Board.

d. Insider Trading

As a general policy, all Directors and employees of the Group are discouraged from engaging in speculative trading (as opposed to investing) in the Company's listed securities, and are reminded to observe the prohibitions imposed on "insiders" in relation to Insider Trading under the Capital Markets and Services Act 2007 ("CMSA 2007").

In addition to this, all Directors and Key Senior Management personnel, identified and designated by the Chief Executive Officer ("CEO") pursuant to the Board's Corporate Disclosure Policy ("designated key management personnel") are required to comply with Bursa Malaysia Securities Berhad's ACE Market Listing Requirements on Dealings in Listed Securities under Chapter 14.

e. Confidential Information

Confidential Information comprises of any information that is not or has not been released to the public and includes business and trade secrets, business, marketing and service strategies and plans, research information, reports and data, business ideas, products, designs, databases, records, human resource information, and any non-published financial and non-financial data or other data deemed by the Group to be confidential and secret.

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Unless required by law or authorised by Management, all employees shall not disclose, divulge or reveal any confidential information, allow or facilitate the disclosure of such confidential information.

All employees are required to use their best effort and endeavour to avoid unintentional disclosure of confidential information including taking precautions and care when storing or transmitting confidential information.

f. Protection and preservation of the Group's Assets and Financial Records

All employees shall safeguard and make proper and efficient use of the Group's assets and financial records.

All employees shall use their best efforts and endeavour to protect the Group's assets and financial records from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets including trademark, know-how, confidential or proprietary information and information systems.

Haily reserves the right to monitor and inspect how the Group's assets and financial records are being used by the Group's employees including inspection of all correspondence, e-mails, chat messages, data and files kept on the Group's network terminals.

g. Discrimination and Harassment

Haily respects the privacy, dignity and personal rights of all employees and is committed to ensuring a workplace environment which is free from any discrimination and harassment of whatsoever nature.

The rights of fellow Board members, employees and all stakeholders must be respected and each person must be accorded equal opportunity without regard to their race, colour, religion, national origin, age, sex, marital status, mental or physical disability, sexual orientation or gender identity.

Employees who feel that they have been discriminated against are encouraged to raise their concerns to the Head of Department or to Head of Human Resources Department or the persons designated under Section 2.h.

h. Reporting Violations

The maintenance of a strong and highly ethical environment with business conduct carried out with utmost integrity must be reinforced by an efficient reporting structure.

If you are aware of or suspect misconduct or violations of any nature outlined in this Policy, you must report it to the appropriate level of Management.

You are to report in priority firstly to your Head of Department, or failing him the Head of Human Resources Department.

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If after speaking with the appropriate levels of Management or you feel uncomfortable speaking to them, you may (if you wish) elevate your concerns to the CEO or subsequently to any of the Executive Directors, or failing them to the Senior Independent Non-Executive Director.

Any reports that involve the Executive Directors, Non-Executive Directors or Chief Financial Officer/ Chief Operating Officer must be communicated to the Chairman of the ARMC who will then, where appropriate, table to ARMC before escalation to the Board of Directors.

Your report/calls/emails will be dealt with the strictest confidentiality and will only be disclosed and shared in order to address the matters appropriately. Regardless, the Board of Directors wishes to assure you that the Board will shield and protect you from any retaliation by any other employees of Haily Group.

This Policy should be read in conjunction with the Board's Anti-Bribery and Anti-Corruption Policy.

3. CONCLUSION

- a. This policy applies to all employees of Haily Group (including all Directors).
- b. Any reports made will be thoroughly investigated and if such violation proven, appropriate disciplinary actions will be taken by the Management with the sanction of the Executive Directors or the Board depending on the nature and level of the breach including dismissal and termination.

This Code of Business Conduct and Ethics Policy was last reviewed and approved by the Board on 28 May 2024.

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**Acknowledgement of Compliance Certificate for the
Code of Business Conduct and Ethics Policy**

I have read the Code of Business Conduct and Ethics Policy (hereinafter referred as “the Policy”), which among other things, restates the policies of HAILY GROUP BERHAD and its subsidiaries (hereinafter referred as “the Group”) prohibiting certain activities deemed illegal, unethical or against the best interest of the Company.

I accept and agree to the restrictions stated in the Policy. I hereby certify that I have complied with such Policies and to the best of my knowledge, all employees under my direct supervision are aware of the policies and are in compliance with its terms.

Signature: _____

Name : _____

Staff Number : _____

Date: _____

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DECLARATION FORM

Name: _____ NRIC: _____

Position: _____ Employee No.: _____

1) Do you hold any HAILY GROUP BERHAD's ("Haily") shares? (Yes/ No)

If yes, please state down the number of Haily shares held: _____ unit shares

in the name of _____ (own/ parent/ spouse/ brother/ sister/ child).

2) Do you hold any interest in Suppliers, Customers or Competitors? (Yes/ No)

If yes, please state down the details: _____

I hereby declare that all the information given above is true and correct to the best of my knowledge and belief.

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Date: