

HAILY GROUP BERHAD

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

CODE OF CONDUCT AND BUSINESS ETHICS POLICY

A code of conduct to guide the Directors and any other employees at the executive level and above (hereinafter referred as “employees”) of HAILY GROUP BERHAD (“Haily” or “the Company”) and its subsidiaries (“collectively referred to as “the Group”) as to the practices necessary to maintain confidence in the Company’s integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices shall be outlined in the letter of appointment.

The Board of Directors (“Board”) aims to ensure that all Directors and any other employees act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

1) POLICY ON SHARE 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”).

All Directors and key 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 Chapter 14 of the ACE Market Listing Requirements (“ACE LR”) (i.e. Dealings in Listed Securities) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The designated key management personnel, must notify the Chief Executive Officer/Chief Financial Officer in writing of any dealing in securities of the Company within 3 market days from the date of trading.

All Directors and designated key management personnel are prohibited from dealing in the Company’s listed securities when they possess material inside information* which has not been made known to the investing public.

* Material Inside information is information which is reasonably expected to have a material effect on:

- the price, value or market activity of the Company’s listed securities, or
- the decision of a holder of the Company’s securities or an investor in determining his choice of action.

2) ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Group recognises that over and above the commission of any crime, any involvement in bribery will reflect adversely on its image and reputation. Its aim, therefore, is to limit its exposure to bribery by:

- Setting out a clear Anti Bribery and Anti-Corruption Policy;

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

- CODE OF CONDUCT AND BUSINESS ETHICS POLICY

- Increase employee's awareness to ensure employees are well-informed and avoid the use of bribery;
- Encouraging its employees to be vigilant and to report any suspicion of bribery, by providing suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged bribery and assisting the police/other appropriate authorities in any resultant prosecution; and
- Taking firm and vigorous action against any individual(s) involved in bribery.

The Group shall take appropriate disciplinary action against employees, who contravene this policy. The prevention, detection and reporting of bribery or corruption is the responsibility of all persons within the Group.

3) CONFLICT OF INTEREST

Conflict of interest occurs in the event, personal interest of Directors of the Company and or a subsidiary ("Directors") or an employee competes with such Directors'/employee's obligations to the Group. The Directors and employees shall diligently avoid such conflict, whenever possible.

Where a conflict of interest situation arises, or has occurred or where an employee becomes aware that he faces a situation that may involve or lead to a conflict of interest, the employee shall disclose the situation to his Line Manager, his Head of Department or the Human Resources Department to resolve the situation in a fair and transparent manner.

In respect of Senior Management level upwards, the concerns should be brought to the attention of the Executive Directors and in respect of the Board level, it should be brought to the attention of the Board.

All Directors are required to observe and comply with:

- (a) the provisions of the Companies Act 2016 in respect of Sub-Division 3 – Directors Duties and Responsibilities.
- (b) Clauses 120 and 122 of the Company's Constitution
- (c) the provisions of Chapter 10 of the ACE LR of Bursa Securities.

4) CORPORATE OPPORTUNITIES

All employees shall not compete with the Group or take personal advantage of business opportunities that arose or 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 Line Manager or 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 level upwards, the issue should be brought to the attention of the Executive Directors and in respect of the Board level, it should be brought to the attention of the Board.

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

- CODE OF CONDUCT AND BUSINESS ETHICS POLICY

5) 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.

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.

6) CONCLUSION

This policy applies to the Board, designated key management personnel and any other employees of the Group. Reports made will be thoroughly investigated and if such violation is proven, appropriate disciplinary actions will be taken by the Company.

This Code of Conduct and Business Ethics Policy was approved and adopted by the Board on 2 September 2020.

This Code of Conduct and Business Ethics Policy was last reviewed and approved by the Board on 23 February 2022.

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

- CODE OF CONDUCT AND BUSINESS ETHICS POLICY

HAILY GROUP BERHAD
(Group of Companies)

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

I have read the Code of Conduct and Business 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: _____

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)

- CODE OF CONDUCT AND BUSINESS ETHICS POLICY

HAILY GROUP BERHAD
(Group of Companies)

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: