



**HO HUP CONSTRUCTION
COMPANY BERHAD**

(Registration No. 197301000497(14034-W))

**CODE OF CONDUCT AND
BUSINESS ETHICS FOR
DIRECTORS AND EMPLOYEES**

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HO HUP CONSTRUCTION COMPANY BERHAD CODE OF CONDUCT AND BUSINESS ETHICS FOR DIRECTORS AND EMPLOYEES

1. INTRODUCTION

In line with good corporate governance practices, the Board, the Management and employees of Ho Hup Construction Company Berhad (“HHCCB” 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

The objective of this Code is to define for the Directors and Employees standards of expected behavior ethical standards as derived from the Company Core Values and Business Principles. The Code is not intended to be exhaustive, however, they are additional obligations that Directors and Employees are expected to behave or conduct when performing their duties. 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

The Code is applicable to all Directors and Employees (including full time, probationary, contract and temporary staff) (“Employees”) of the Group. Each Employee has a duty to read and understand the Code. Violation of any of the Code’s provisions can result in disciplinary action, including termination of employment. If an Employee requires further clarification on the Code, the Employee may refer to the immediate superior or Head of Department.

4. COMMUNITY AND SOCIETY

The Company is committed to be a positive influence in the surrounding community and society at large. Hence, Directors and Employees shall carry out their duties without neglecting to safe guard people’s health, protect the environment and enhance social security.

5. SAFETY, HEALTH AND SECURITY

The Company is committed to continually improve the standards of health and safety of the workplace for the Directors and Employees. Hence, Directors and Employees are expected to maintain constant vigilance and adhere to safety standards while carrying out their duties.

6. ASSETS, PROPERTIES AND FACILITY

Directors and employees are entrusted to use and maintain Company's assets with care. Directors and employees should follow policy of use and should also help to safeguard the Company's assets and immediately report any suspected theft, damage, misuse, fraud, embezzlement or improper usage.

Computing assets are intended to be used for business purposes only. It is the Employee's responsibility to familiarize themselves with the IT policies to avoid violation of use. Employees should not allow any party to use their log in credential to access the Company system. Unauthorized download or installation of non-standard software or system is not allowed.

The Company reserves the right to monitor and/or audit employee's use of its Information Technology ("IT") and communication systems, and access, review and disclose data stored to ensure appropriate use and compliance.

Manuals, training materials and other documents pertaining to the Company's business must be kept confidential and are to be returned when Employees ceased employment with the Company.

7. PROPRIETARY AND CONFIDENTIAL INFORMATION

Directors and employees are obligated to protect the confidentiality of the Company's information and guard against unauthorized disclosure or use. Confidential or proprietary information includes all information that is not generally known to the public and is valuable to the Company or would be helpful to our competitors. Proprietary information should be marked accordingly, kept secure and access should be limited on a need to know basis.

Directors and employees shall not discuss internally or externally confidential information pertaining to the Company's business, research and development ("R&D") activities, partners, customers and employees, except when required by law or in the normal course of conducting the Company's business.

All inventions, discoveries, ideas and improvements that results from any work performed by the Employee or jointly with the Company are the sole and exclusive property of the Company. Employees shall not participate in any capacity in other business organizations, political activities, without obtaining prior consent from the Company.

Directors and employees shall not, even after ceasing employment, divulge confidential information either directly or indirectly to any person or companies, without the consent from the Company.

Directors and employees have to ensure that all work-related communication complies with the Code prior to publication. Publishing of information that may in anyway jeopardize the Company's reputation is strictly prohibited and could have legal consequences. This applies to disclosure via any medium including but not limited to publication of articles or books, Short Message Services ("SMS") and the internet, especially via social media platforms such as Facebook, Twitter, YouTube, Instagram, etc, internet message boards and/or blogs.

8. CONFLICT OF INTEREST

Directors and employees should avoid any situation that involves, or appears to involve, a conflict between their personal interest and the interest of the Company. This means Directors and employees should avoid circumstances that might affect their judgment or impartiality when performing their duties and jobs.

As it is impossible to describe every potential conflict of interest, Directors and employees are expected to exercise good judgment, and to adhere to ethical standards in the conduct of their professional and personal affairs.

If any Directors or employee discovers that, for whatever reason he/she has become involved in a conflict of interest or is in competition with the Company, he/she must declare this to the Company as soon as the matter comes to his/her knowledge.

A Director or employee shall declare and seek approval from the Company if he/she sits as a member of a Board or holds directorship in other companies outside of the Group.

9. GIFTS, ENTERTAINMENT AND HOSPITALITY

Directors and employees in the course of performing their duties should not be influenced by receiving favors and should refrain from receiving gifts from third parties, although at times he/she may accept gifts of nominal value such as inexpensive novelty or promotional items. These could include pens, coffee mugs, calendars or inexpensive business meals. Accepting gifts of higher value may be construed as willingness to compromise the Company's reputation. Directors, employees and members of their families are prohibited from accepting any gifts of more than nominal value, including price discounts on articles purchased for personal use, unless the same discounts are available to all other employees. As a general rule, the group discourages its Employees from giving or accepting a gift, entertainment, hospitality or other benefit which RM 100 a month and not more than twice a year for a single entity. Pre-approval from CEO and Compliance Team must be obtained prior to incurring any gift or hospitality exceeding the limit. The group also discourages the Directors from giving or accepting a gift, entertainment, hospitality or other benefit. Pre-approval from Compliance Team and Audit Committee must be obtained prior to incurring any gift or hospitality exceeding the limit. Please refer to Ho Hup's Gift, Entertainment and Hospitality Guidelines for more details.

10. ANTI-BRIBERY & ANTI-CORRUPTION COMMITMENT

As part of the Group's commitment to adopt a zero-tolerance approach against all forms of bribery and corruption in its daily operations, Employees are expected to be committed to conduct business dealings with integrity and to refrain from giving and/or receiving any bribery and corruption.

Employees will be invited by Human Resource to go through the Anti-Bribery & Anti-Corruption awareness program which will be conducted by the Company on a regular basis. Employees are expected to go through the Group's Anti-Bribery and Anti-Corruption Manual which is available on the Company's website.

11. INTEGRITY AND ETHIC

Corrupt practices are defined as the misuse of entrusted power for private gain. Employees must comply strictly to all provisions of the Malaysian Anti- Corruption Commission Act (“MACC”) 2009 and further updated versions accordingly. The MACC Act was amended in 2018 to introduce corporate liability for corruption offences, which applies to Malaysian commercial organisations. Employees who take part in any corrupt practices are liable personally for their actions.

The MACC Act amended in 2018 refers to any commercial organisation that commits an offence under this section shall on conviction be liable to:

Ten (10) times of the gratification sum or RM1 million, whichever is higher; or
Imprisonment term not exceeding 20 years; or

By virtue of Section 17A (3) of the Act, where an offence is committed by a commercial organisation, a person who is:

Director, controller, officer or partner; or
Concerned with in the management of its affairs,

At the time of the commission of the offence, is deemed to have committed that offence unless that person proves that the offence was committed without his consent and that he had exercised due diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

If the commercial organisation is charged for the offence, the commercial organisation shall prove that adequate procedures are in place to prevent persons associated with the commercial organisation from undertaking such conduct. A person associated with the commercial organisation are referred to as director, partner or an employee of the commercial organisation or he is a person who performs services for or on behalf of the commercial organisation.

12. WHISTLE-BLOWING POLICY

The Group expects the highest standards of integrity from all directors and employees. The Group practices an open-door policy and encourages all Employees to share concerns and suggestions with superiors. In line with good corporate governance practices and with the introduction of the Whistleblower Protection Act 2010, The Group encourage its Directors and employees to report any wrongdoing on the part of Directors, employees, management, and vendors with respect to the Group’s interest. Employees may report such concerns using the reporting channels under the Whistleblowing Policy available on the Company’s website.

13. ADMINISTRATION

Directors and employees found not complying this Code will be subjected to disciplinary action not limit to termination of employment as well as civil or criminal liability.

This Code shall be reviewed by the Company from time to time, during which amendments can be made in line with the relevant changes in law, governance code and change in Company’s vision, mission and business plans.

A copy of the Code is made available for reference in the Company’s website at www.hohupgroup.com.my