



Registration NO:
201801043588 (1305620-D))
(Incorporated in Malaysia)

CODE OF CONDUCT AND ETHICS

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REG.NO.201801043588(1305620D)

HPP HOLDINGS BERHAD

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CODE OF CONDUCT AND ETHICS

1.0 INTRODUCTION

HPP Holdings Berhad (“**HPP**” or the “**Company**”) adopted its first set of the Code of Conduct and Ethics (the “**Code**”) for the Company and its subsidiaries (the “**Group**”) on 25 November 2019. The purpose for formulating this Code is part of the Group's efforts to cultivate corporate accountability at each individual level in order to ensure an ethical corporate environment can flourish and enable the Group to consistently reach high standards of corporate governance, corporate social responsibility and professionalism.

The Code is applicable to all Directors, key senior management (“**Management**”) and employees including full time, probationary, contract and temporary staff (for the purpose of this Code, the Board, the Management and all employees are collectively known as “**Employee(s)**”) of the Group. This Code sets out the principles to guide standards of corporate behaviour and business conduct when Employees deal with a third party(ies).

This Code is not a comprehensive guide that covers every ethical situation that an Employee may encounter in his or her course of work. Any circumstance which is not covered by this Code or in case of any doubt, the Employee shall refer to the Group's Human Resources Department for clarification or guidance.

2.0 OBJECTIVES

The principal objectives of the Code are to provide guidance on how and in what manner should the conduct of ethical practices be when undertaking business on behalf of the Group.

2.1 This Code is formulated with the intention to ensure that all Employees adhere to the following aims:-

- (i) to articulate the high standard of integrity and ethical behaviour throughout the Group;
- (ii) to improve self-discipline in order to provide good quality services;
- (iii) to act in the best interest in fulfilling fiduciary obligations to the Group;
- (iv) to conduct themselves professionally, courteously and respectfully in manner and not take improper advantage of their positions;
- (v) to act in good faith, responsibly, with due care and diligence, without allowing their independent judgment to be subordinated;
- (vi) to use their prudent judgment to prevent from all situations, decisions which give or may give rise to conflict of interest or potential conflict with his or her responsibilities within the Group;
- (vii) not to exploit for their own personal gain through using corporate property, information or position, unless otherwise proven that the Group is not interested to pursue such opportunity;
- (viii) to prohibit unauthorised use of the Group's assets for their own personal interests;
- (ix) to deter holding out or misrepresentation of the Group or the Group's Management; and

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- (x) to avoid illegal, unethical or otherwise improper acts and ensure compliance with applicable laws, rules and regulations.
- 2.2** A director of HPP must exercise his powers for a proper purpose and in good faith in the best interest of HPP.
- 2.3** A director who is appointed by virtue of his position as a representative of a shareholder, must act in the best interest of the corporation in which he sits as a board member. In the event of any conflict between his duty to act in the best interest of the corporation and his duty to his nominator, he must not subordinate his duty to act in the best interest of the corporation to his nominator.
- 2.4** In directing or managing the business and affairs of the corporation, a director must exercise reasonable care, skill and diligence by–
 - (a) applying the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and
 - (b) applying any additional knowledge, skill and experience which the director has.
- 2.5** A director is required to among others–
 - (a) maintain a sound understanding of the business, and keep abreast of relevant developments to ensure he is able to discharge his duties and responsibilities effectively;
 - (b) prepare for board meetings, contribute constructively to board discussions and decision-making, and conduct due inquiry before approving a matter;
 - (c) ensure key transactions or critical decisions are deliberated and decided on by the board in a meeting; and
 - (d) ensure his decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.

3.0 RESPONSIBILITY AND COMPLIANCE TO THE CODE

- 3.1** Employees should be aware of their responsibility to act in accordance with the policies, principles and guidelines detailed in this Code, and any update or amendment which may be issued from time to time by the Group.
- 3.2** Employees should be responsible in reporting any violations or suspected violations of policies, laws and regulations to the Chairman of the Board (in the case of any Director) or the Head of Human Resources Department or such other officer designated by the Group from time to time. Please refer to Section 16 of this Code for further details on the whistleblowing policy which is a safe avenue to report concerns about any violations of the policies, laws and regulations.
- 3.3** Non-compliance with this Code will be treated seriously and may result in disciplinary action, including the possibility of suspension or dismissal, and if warranted, legal proceedings against the accused person. Violation of applicable laws may subject the accused person to civil or criminal penalties imposed by a governmental agency or a court, in addition to disciplinary action.
- 3.4** This Code is to be read and applied in conjunction with all other related or applicable policies, procedures and guidelines which are established within HPP Group.

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4.0 WORKPLACE CULTURE AND ENVIRONMENT

4.1 Fairness, equality and non-discrimination

- (i) Employees should endeavour to deal fairly with the Group's customers, suppliers, contractors, competitors and other employees. None of the Employees shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.
- (ii) The Group establishes and practices the principle of diversity of workforce, equal opportunity, non-discrimination and fair treatment in all aspects of employment, including recruitment and hiring, compensation and benefits, working conditions, training, rewards and recognition, career development and retirement. Employees must strive together to create a workplace where everyone is treated fairly and equally.
- (iii) Every employee within the Group has an equal opportunity to be evaluated or assessed based on their skills, knowledge, experience and performance. These are crucial to the overall success of the Group.

4.2 Human rights

- (i) HPP recognises the importance of maintaining and promoting fundamental human rights in all of our operations. The Group treats Employees with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination.
- (ii) Employees should respect the personal dignity, privacy and rights of each individual they interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.
- (iii) HPP operates under programs and policies that:-
 - a. provide fair and equitable wages, benefits and other conditions of employment in accordance with local laws;
 - b. provide humane and safe working conditions;
 - c. prohibit forced or child labor; and
 - d. promote a workplace free of discrimination and harassment.

4.3 Diversity and respect

- (i) HPP Group is committed to build a work environment where openness, trust and respect are integral parts of its corporate culture. Employees are expected to treat each other with respect and to value each other's differences and the diverse perspectives those differences bring.
- (ii) The Group considers harassment and discrimination to be unjust and damaging to work environment. Employees are expected to obey all existing laws, policies, standards and procedures related to work environment, and to respect fellow colleagues at the workplace.

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- (iii) The Group will not tolerate any act or threat of violence in the workplace. It wishes to provide a work environment where employees are treated with respect and free from any form of harassment, threat, intimidation, violence or any other inappropriate behaviour. All complaints or grievances will be investigated, and appropriate action will be taken to stop such conduct and prevent future occurrences.

4.4 Protection of privacy

- (i) Employees are expected to respect each other's privacy. Personal data should be processed only if there is a legitimate business reason to do so or if required by law.
- (ii) Employees are expected not to disclose personal and/or confidential information obtained in the workplace or business operations to others without the consent of the individual and/or Group, unless required by law.
- (iii) Employees must take precautionary steps to prevent the unauthorised disclosure of proprietary or confidential information, including protecting and securing documents containing this information.

4.5 Leading by example

- (i) The Board and the Management, have the added responsibility for demonstrating, through their actions, the importance of the Code. Ethical behaviour is the product of clear and direct communication of behavioural expectations, modelled from the top and demonstrated by example. Directors, managers and supervisors are responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues.

4.6 Continuous training and development

- (i) HPP believes that employees' skills and development are vital to the success of the Group. As such, the Group strives to motivate and retain the best employees by providing continuous training by sending them to relevant courses in order to upgrade their knowledge and skills within their job scope.

4.7 Occupational safety and health

- (i) The health of the workers and the safety of the workplace shall always be a priority concern within the day-to-day operations of the Group. Therefore, every employee must diligently observe and comply with the safety rules and acts as prescribed in the Group's occupational safety policies and procedures as well as to raise any concerns which may represent a potential threat to health and safety. Employees are responsible for reporting injuries and unsafe work practices or conditions as soon as they are being discovered or become known.
- (ii) HPP's occupational safety and health policies shall be revised from time to time to be consistent with industry wide codes of practice to improve the standards of safety and health features.
- (iii) Health and safety support and training will be provided to all Employees so that they understand the occupational health and safety obligations which they need to diligently comply with.

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5.0 INTEGRITY IN THE MARKETPLACE

5.1 Ensuring quality of product and services, safety and reliability

- (i) HPP is committed to providing quality products and services. HPP strives to maintain customers' trust by providing products that are developed in an ethical and responsible manner and follow applicable ethical standards and guidelines.

5.2 Responsible sales and marketing practices

- (i) HPP is expected to compete vigorously and effectively, but never unlawfully. For this reason, HPP is truthful in all of our sales and marketing activities. The Group shall not overstate or misrepresent the qualities of its products and services. HPP will ensure that its marketing programmes and activities conform to applicable laws and regulations. Whilst making comparisons between competitors' products and services and the Group's products and services, HPP will always be mindful not to discredit other companies.

5.3 HPP's customers

- (i) When dealing with its customers, the Group shall always:-
 - a. conduct business on the basis of the Group's superior product quality, customer service and competitive price;
 - b. present its services and products in an honest and forthright manner;
 - c. avoid unfair or deceptive trade practices;
 - d. communicate its sales programmes clearly; and
 - e. deliver its promises.
- (ii) All HPP's contracts with customers will reflect the importance and value that the Group place on its businesses. All customer sales and trade agreements will be in writing and conform to the Group's standard operating procedures.
- (iii) If a problem occurs with the quality of a product or service that the Group provides to its customer, HPP endeavours to respond promptly in order to limit the extent of the damage or inconvenience to the customer. Furthermore, HPP strives to take all possible measures to determine the cause of the problem and prevent its recurrence.

5.4 HPP's suppliers

- (i) HPP holds its suppliers to the same standards of integrity to which the Group holds itself.
- (ii) An unethical or illegal act of a supplier may hurt the Group's reputation and may cause loss of goodwill in the communities that the Group serves.
- (iii) Therefore, all suppliers must comply with the highest requested standard set by the Group as a condition of doing business with the Group. The Group's suppliers include any third-party vendors, consultants, service providers or suppliers.
- (iv) The Group's decision on the selection of a supplier is based on merit, quality of service and reputation.

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5.5 Community involvement

- (i) The Group encourages its officers and employees to participate actively in community welfare, healthcare, education, arts and other cultural activities as well as other philanthropic activities as a good corporate citizen.
- (ii) The Group also engages in meaningful and appropriate donations and support activities as social contributions to respond to social issues and community needs relating to the Group's philosophy.
- (iii) The Board acknowledges the significance of Corporate Social Responsibility and views it as an integral part of the organisation's way of succeeding in business and contributing to the welfare of employees in particular and society at large and also to all communities in the environment it operates.

5.6 Environmental-friendly practices

- (i) In acknowledging its care for the environment, HPP considers safety and environmental factors in all its operating decisions and explores feasible opportunities to minimise any adverse impact from its operations, waste disposals and product quality, design and packaging.
- (ii) The Company is committed to protecting the environment by minimising and mitigating environmental impacts throughout the life cycle of operations. Employees should contribute to minimising the use of finite resources, including energy, water and raw materials. Employees should minimise harmful emissions to environment, including waste, air emissions and discharges to water.

6.0 PROTECTION OF COMPANY'S ASSETS AND INFORMATION

6.1 Protection to group assets

- (i) The Group entrusts all the Employees with the Group's assets in the performance of their jobs. Employees are accountable both for safeguarding all assets entrusted to them, including information, resources, records, materials, facilities and equipment under their care or control, from loss, theft, waste, misappropriation or infringement and for using the assets to advance the interests of the Group.
- (ii) All Employees have an affirmative duty to immediately report the theft, loss or misappropriation of any Company assets, including financial assets, physical assets, information assets and electronic assets to the management as stipulated under Section 17.1 on Reporting a Violation below.

6.2 Accuracy of financial information

- (i) The Group is committed to ensuring the integrity of financial information for the benefit of the end users and other stakeholders. Falsification of financial or any other records or misrepresentation of information may constitute fraud and can result in civil and criminal liabilities for Employees. Reliable internal controls are critical for proper, complete and accurate accounting and financial reporting. Employees must understand the internal controls relevant to their positions and comply with the policies and procedures related to those controls to ensure that effective and reliable business processes are in place. Employees are obliged to report false entries or omissions and to highlight questionable or improper accounting in the books and records within the Group.

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6.3 Proprietary and confidential information

- (i) HPP values and protects all proprietary and confidential information. In the performance of duties, Employees may obtain information not generally available or known to the public or the market. Hence, Employees are prohibited and must not communicate or disclose this information in any manner to competitors, customers, persons engaged in any aspect of the securities industry, members of trade associations or other third parties unless such communication or disclosure is authorised by the Group. *This applies to disclosures by any medium, including the internet, especially via social media sites (e.g. Facebook, Twitter, YouTube, etc.), internet message boards and/ or blogs. An Employee must take precautionary steps to prevent the unauthorised disclosure of proprietary or confidential information, including protecting and securing documents containing this information.*

Personal records and remuneration including the officer's own remuneration are classified as Private and Confidential information and shall not be divulged.

- (ii) Employees must be aware that any unlawful or unauthorised disclosure of proprietary or confidential information may result in irreparable loss or damage to the Group. In such cases, the Group may institute civil and criminal proceedings against the offending party.
- (iii) Employees carry an obligation to continue to preserve the proprietary and confidential information even after the appointment or employment has ceased, unless disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority.

7.0 CONFLICT OF INTEREST

- 7.1** Employees should avoid any situation that involves, or appears to involve, a conflict between their personal interests and the interests of the Group and Employees should avoid circumstances that might affect their judgement or impartiality when performing their jobs.
- 7.2** Employees with a conflict of interest, actual or potential, must disclose any obligation, commitment, relationship or interest including interest in any competing business that could conflict or may be perceived to conflict with his or her duties by making a declaration respective to the Human Resource Department and thereafter, escalate to the Audit and Risk Management Committee for its review and report to the Board of Directors.
- 7.3** Employees shall disclose to the Group if any relative comprises employee's spouse, parents, children, brothers, sisters and spouse of child, brother or sister provides any form of goods or services direct or indirect to the Group, or is a competitor, vendor, business partner, contractor or consultant to the Group. Employees shall avoid or abstain from participating in or making decisions on any deal involving employee's relative.
- 7.4** If an Employee's relative is a competitor or supplier of the Group or is employed by one, employees are expected to exercise extra caution in their communication and conduct to ensure the security and confidentiality of information important to the Group and to avoid and create a conflict of interest situation.
- 7.5** Where an Employee has a financial interest in a customer, whether as a sole proprietor, partner, shareholder, creditor or debtor, such an interest must be disclosed immediately to the Employee's immediate supervisor who in turn should report to the Management. Thereafter, the Employee should not be directly involved in the Group's dealings with the customer so long as the interest continues to exist. The above restriction does not apply

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in cases where the Employee has holdings of publicly quoted securities unless the management considers the interest to be material, and the financial interest is considered likely to impair the objectivity of the Employee concerned. In any case, holdings of five (5) percent or more of the voting shares of a public quoted company would be regarded as material. When a conflict of interest arises between the Group and the customers or between the Employee and the customers and where such conflict is apparent, the customer should be made aware of the consequences that may arise from the obligation. In assigning duties, supervisors should not place their subordinates in situations where conflict of interest could arise.

- 7.6** It is considered a conflict of interest if an Employee (save for part-time or contract staff) conducts business other than the Group's business during working hours. Where the acquisition of any business interest or participation in any business activity outside the Group and working hours demands excessive time and attention from the Employee, thereby depriving the Group of the Employee's best effort on the job, a conflict of interest also arises.
- 7.7** Before making any commitment, the Employee is to discuss with the Management on possible part-time employment or other business activities outside the Group's working hours. The written approval of the Head of Department or any other designated person should be obtained before the Employee embarks on a part-time employment or other business activities. Approval should be granted only where the interest of the Group will not be prejudiced. The Employee shall devote his whole time and attention during working hours to his duties in the Group.
- 7.8** Employees must disclose and declare their interest via the respective prescribed Conflict of Interest Declaration Form, in the contemplated transaction or contract of any actual conflict of interest, potential conflict of interest or perceived conflict of interest.

This should be read in conjunction with the Conflict of Interest Policy of the Company.

8.0 RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs")

- 8.1** In compliance with the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Audit Committee of HPP has established review procedures to monitor, track, and identify RRPTs in a timely and orderly manner and to ensure that such RRPTs be carried out on normal commercial terms which are not more favourable to the related party than those generally available to the public.

9.0 NO SOLICITATIONS

- 9.1** The Group shall not solicit or accept any economic benefit from any third party in the course of its work. HPP shall not render any assistance to any third party in its dealings with the Group where this would result in undue preferential treatment to the third party.

10.0 GIFT, BENEFIT AND ENTERTAINMENT

- 10.1** According to Malaysian Anti-Corruption Commission's Service Circular No. 3 of 1998 (SC 3/1998), a gift comprises of cash money, free fares, shares, lottery tickets, travelling facilities, entertainment expenses, services, club membership, any form of commission, hampers, jewellery, decorative items and any item of high value that is given ("**Gift(s)**").
- 10.2** The Group prohibits the exchange of Gifts directly or indirectly both within and outside of the work premises in the course of their official duties and business dealings which may

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influence in a decision-making process or put the Employees in a position of conflict or appearance of such conflict or obligation.

- 10.3** Employees are not allowed to accept Gifts in exchange of doing or promising to do anything relating to the business or affairs of the Group for potential or existing customers, vendors, agents, service providers, bidders, suppliers and any other individual or organisation.
- 10.4** Employees and external parties are to avoid conflict of interest or the appearance of conflict of interest for either party in an on-going potential business dealing between the Group and external parties as a gift can be seen as a bribe that may tarnish the Group's reputation or in violation of anti-bribery and corruption laws.
- 10.5** Gifts such as hampers, flower bouquets from an unknown giver being placed on the Employee's table or sent to the premises, Employees are advised to report the item to the Human Resource Department for further action/decision in order to avoid allegations.
- 10.6** If the value of the Gift is not commensurable as well as associated with official dealings/duties, the Human Resource Department may instruct the Employee to return the Gift.
- 10.7** In certain circumstances, there are exceptions which are listed as follows:-
- (i) Employees can present souvenir items or corporate merchandise that meet the following criteria:-
 - a. The item presented in the form of a plaque that is inexpensive, pennant, department handicraft items or printed materials;
 - b. The items are attached with the external party's company logo or HPP's logo;
 - c. The value of the items given and received are less than RM100;
 - d. The items presented to at the Group's sponsorship/annual dinner/corporate clients' functions; and
 - e. The items are given at public or invitational events.
 - (ii) The acceptance and provision of gift(s) are also permitted in certain exceptional circumstances:-
 - a. Gifts or financial support or contributions to charitable organisations or individuals on a charity basis under the Group's corporate social responsibility framework/ policies/ guidelines;
 - b. Gifts given and received during festivals not on a personal basis, must be shared and distributed to the Employees;
 - c. Gifts received at the Group's sponsorship/annual dinner/corporate clients' functions; and
 - d. Perishable items (e.g. cakes and flowers), are allowed to be retained in the office.

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11.0 BRIBERY AND CORRUPTION

- 11.1** Corruption refers to any form of misuse of power made in attempt to gain undue advantage, including any type of bribery; offering, promising, giving, or accepting money, asset, or anything of value to a public official, government unit, private company, or person of duties, whether directly or indirectly, to induce favorable actions or restrain the person from performing duties and obtain or retain undue business advantages from the following stakeholders:-
- (i) Agents of government sector;
 - (ii) Agents of private sector/ organisation;
 - (iii) Listed companies;
 - (iv) Clients;
 - (v) Counterparties; and
 - (vi) Other related persons who may be involved directly or indirectly.
- 11.2** The Group prohibits all Employees from being involved in bribery whether directly or indirectly, which also covers vendors, counterparties, Group's competitors, contractors, subcontractors, government sector and private organisation. In addition, periodic review must be conducted on continuous basis on this Code to be in line with any changes in business or rules and regulations.
- 11.3** Setting the standard for Anti-Corruption is part of the responsibilities of the Board of Directors and Management. They are expected to generate ideas, suggestions and initiatives for the Group to give substance to its zero-tolerance of bribery.
- 11.4** The Group fosters the development of methods to enhance any process and procedures to counter corruption as enforced by the relevant rules and regulations and this Code. One of the approaches is to have an assessment conducted by Internal Audit function which helps the Group to identify the areas most at risk of bribery on a yearly basis and assure that the Group is at its culture of zero-tolerance of bribery.
- 11.5** The Group prohibits bribery in any form. There are controls over the Group's conduct in providing charitable contributions, political contributions, or receiving/offering inappropriate gifts, hospitality and expenses to be transparency and to be able to demonstrate that the Group will not tolerate any form of corruption. Please refer to Section 10 of this Code for further information.
- 11.6** The Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and in implementing and enforcing effective systems to counter bribery and corruption.
- 11.7** Bribery and corruption activities are not only a violation of the Code, they could potentially be a serious violation of criminal and civil anti-bribery and anti- corruption laws with statutory penalties.
- 11.8** Employees or any persons relevant to the Group's business who or commit an offence to anti-corruption or anti-bribery will be considered disciplinary action in which the punishment will be varied based on the severity of violation by the Board. Such punishment may include termination of employment and may also involve a prosecution in the court regarding anti-corruption.

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12.0 INSIDER TRADING

- 12.1** It is illegal to purchase or sell HPP securities if any of the Employees or principal officers have “material non-public information” concerning HPP. Securities include common stock or other debt or equity securities, options or shares held in HPP investment and retirement plans. Engaging in inside trading could result in loss of employment and be subject to significant civil and criminal penalties.
- 12.2** Employees shall not disclose material non-public and price sensitive information to anyone outside of the Group, including family members and friends, unless disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority.
- 12.3** Employees shall not deal in securities of the Group nor influence any third party in dealing with the securities while he has material non-public and price-sensitive information about the Group.
- 12.4** In addition, Employees are not permitted to engage in activities that are designed to hedge or offset any decrease in the market value of the Group’s securities.
- 12.5** “Non-public information” is information that is known within the Group and has not been publicly released. “Material information” is information that a reasonable investor would consider important when deciding to buy or sell securities. Employees who are in possession of material non-public information may not complete a security transaction until the first business day that is at least 24 hours after the time that the information is publicly released. Directors are encouraged to conduct their dealings in securities during trading window period and recommended to refrain from dealing during closed period, which is 30 calendar days before the targeted date of announcement up to the date of the announcement of the quarterly results of the Group to Bursa Securities via Bursa LINK.
- 12.6** Some examples of non-public information that could be considered material include:-
- (i) Financial forecasts;
 - (ii) Changes in sales, market share or production;
 - (iii) Changes in debt ratings or analyst upgrades or downgrades of HPP securities;
 - (iv) Earnings, dividends or stock splits;
 - (v) Proposed mergers, acquisitions or divestitures;
 - (vi) Marketing plans;
 - (vii) Strategic plans;
 - (viii) New product information; and
 - (ix) Changes in top management.
- 12.7** Whether any particular information could be considered “material” by a reasonable investor depends on specific circumstances. A major factor in determining whether information is material is the impact that information could have on the Group’s financial condition or stock price.

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13.0 INSIDER INFORMATION, SECURITIES TRADING AND PUBLIC DISCLOSURE

- 13.1** As a public listed company, the Group is required to comply with the AMLR and other applicable rules or regulations to make timely, full and fair public disclosure of information that may materially affect the market awareness and publicity.
- 13.2** Employees or other representatives of the Group are not allowed to trade in securities or other financial instruments based on knowledge that is obtained in the performance of duties, if that information has not been reported publicly.
- 13.3** Employees are refrained from disclosing insider information to anyone, including family members and friends, unless disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority.
- 13.4** In the course of performing their job, Employees may aware of certain confidential information that qualifies as “PRIVATE AND CONFIDENTIAL” which clarify HPP’s Group credibility toward its customers, suppliers or business partners or another third party.
- 13.5** “PRIVATE AND CONFIDENTIAL” are clearly printed on those documents or any non-public and market sensitive information that could potentially influence the investment decisions of investors. It includes, but is not limited to, the following:-
- (i) Financial information such as sales and profits;
 - (ii) Information concerning dividends;
 - (iii) Information concerning alliances with other companies;
 - (iv) Information concerning changes in major suppliers; and
 - (v) Information concerning new products or new technologies.

14.0 ANTI-MONEY LAUNDERING

- 14.1** Money laundering is a process by which persons or groups try to conceal, convert and transfer the proceeds from illegal activities to a legitimate source of income or asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 in Malaysia.
- 14.2** Employees should always ensure that they are conducting business with reputable customers, for legitimate business purposes and with legitimate funds.
- 14.3** Anti-money laundering provisions are designed to help prevent legitimate businesses from being used by criminals for this purpose, and to assist law enforcement agencies to trace and recover criminal assets.
- 14.4** The Group is required to take appropriate steps to identify, assess and understand its money laundering and terrorism financing (“**ML/TF**”) risks in relation to its customers, countries or geographical areas and products, services, transactions or delivery channels. In assessing money laundering and terrorism financing risks, The Group is required to have the following processes in place:-
- (i) documenting its risk assessments and findings;
 - (ii) considering all the relevant risk factors before determining what is the level of overall risk and the appropriate level and type of mitigation to be applied;

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- (iii) keeping the assessment up-to-date through a periodic review; and
- (iv) having appropriate mechanisms to provide risk assessment information to the supervisory authority.

14.5 As a measure of internal control, the Group is required to:-

- (i) have policies, controls and procedures to manage and mitigate ML/TF risks that have been identified;
- (ii) monitor the implementation of those policies, controls, procedures and to enhance them if necessary; and
- (iii) take enhanced measures to manage and mitigate the risks where higher risks are identified.

14.6 The Group is required to conduct risk profiling on its customers. In profiling the risk of its customers, Management must consider the following factors:-

- (i) customer risk (e.g. resident or non-resident, type of customers, occasional or one-off, legal person structure, types of PEP, types of occupation);
- (ii) geographical location of business or country of origin of customers;
- (iii) products, services, transactions or delivery channels (e.g. cash-based, face-to-face or non face-to-face, cross-border); and
- (iv) any other information suggesting that the customer is of higher risk.

14.7 The risk control and mitigation measures implemented by the Group shall commensurate with the risk profile of a particular customer or type of customer. Upon the initial acceptance of the customer, Management is required to regularly review and update the customer's risk profile based on its level of ML/TF risks.

14.8 Management is required to conduct customer due diligence ("**CDD**") on the customer and the persons conducting the transaction in the circumstances set out below:-

- (i) when the Group establishes business relationship with customer, where applicable;
- (ii) when the Employee(s) have any suspicion of ML/TF regardless of the amount of transaction; or
- (iii) when the Employee(s) have any doubt about the veracity or adequacy of previously obtained information.

14.9 Before accepting a new customer, Employees are required to:-

- (i) identify the customer and verify that customer's identity using reliable, independent source documents, data or information;
- (ii) verify that any person purporting to act on behalf of the customer is so authorised, and identify and verify the identity of that person;
- (iii) identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner, using the relevant information or data obtained from a reliable source, such that the Management is satisfied that it knows who the beneficial owner is; and

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- (iv) understand and, where relevant, obtain information on, the purpose and intended nature of the business relationship.

14.10 Employees are required to verify the identity of the customer and beneficial owner before, or during, the course of establishing a business relationship.

14.11 In conducting CDD on a customer and beneficial owner, Management is required to understand the nature of the customer's business, its ownership and control structure. Employees are required to identify the customer and verify its identity through the following information:-

- (i) name, legal form and proof of existence, such as Memorandum and Articles of Association/Constitution/Certificate of Incorporation/ Partnership (certified true copies/duly notarised copies, may be accepted) or any other reliable references to verify the identity of the customer;
- (ii) the powers that regulate and bind the customer such as directors' resolution, as well as the names of relevant persons having a senior management position; and
- (iii) the address of the registered office and, if different, a principal place of business.

14.12 The Group is required to identify and take reasonable measures to verify the identity of beneficial owners through the following information:-

- (i) the identity of the natural person(s) (if any) who ultimately has a controlling ownership interest in a legal person. At a minimum, this includes the following:-
 - a. identification document of Directors/ Shareholders with equity interest of more than twenty five percent/Partners (certified true copy/duly notarised copies or the latest Return on Allotment pursuant to Section 78 of the Companies Act 2016 ("Act") and Notification of Change in Register of Directors, Manager and Secretaries pursuant to Section 58 of the Act/ changes in shareholdings and/or directors as prescribed by the Companies Commission of Malaysia or equivalent documents for Labuan companies or foreign incorporations, or any other equivalent documents for other types of legal person are acceptable);
 - b. authorisation for any person to represent the company or business either by means of a letter of authority or directors' resolution; and
 - c. relevant documents such as NRIC for Malaysian/permanent resident or passport for foreigner, to identify the identity of the person authorised to represent the company or business in its dealings with the Group;
- (ii) to the extent that there is doubt as to whether the person(s) with the controlling ownership interest is the beneficial owner(s) referred to in Section 14.12 (i) above or where no natural person(s) exert control through ownership interests, the identity of the natural person (if any) exercising control of the legal person through other means; and
- (iii) where no natural person is identified under Section 14.12 (i) or (ii) above, the identity of the relevant natural person who holds the position of senior management.

14.13 Where there is any doubt as to the identity of persons referred to under Sections 14.11 and 14.12 of this Code, Management shall:-

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- (i) conduct a basic search or enquiry on the background of such person to ensure that the person has not been or is not in the process of being dissolved or liquidated, or is a bankrupt; and
- (ii) verify the authenticity of the information provided by such person with the Companies Commission of Malaysia, Labuan Financial Services Authority or any other relevant agencies.

14.14 The Group is required to conduct on-going due diligence on the business relationship with its customers. Such measures shall include:-

- (i) scrutinising transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the Group's knowledge of the customer, its business and risk profile, including where necessary, the source of funds; and
- (ii) ensuring that documents, data or information collected under the CDD process is kept up-to-date and relevant, by undertaking reviews of existing records particularly for higher risk customers.

14.15 HPP prohibits its Employees from involvement in money laundering activities, either directly or indirectly. The activities may include, but not limited to the following:-

- (i) Payments made in currencies that differ from invoices;
- (ii) Attempts to make payment in cash or cash equivalent out of normal business practice;
- (iii) Payments made by third parties that are not parties to the contract; and
- (iv) Payments to or accounts of third parties that are not parties to the contract.

14.16 Employees need to be mindful of the risk of the Group's business being used for money laundering activities and if they suspect money laundering activities, they should report it to their respective Head of Department, or the relevant person designated by the Group.

15.0 ABUSE OF POWER

15.1 The abuse of authority/power is the improper use of a position of influence, power or authority by an individual towards others. This is particularly serious when the alleged offender misuses his or her influence, power or authority to negatively influence the career or employment conditions (including, but not limited to, appointment, assignment, contract renewal, performance evaluation or promotion) of other individuals. Abuse of authority can include a one-time incident or a series of incidents. It may also consist of conduct that creates a hostile or abusive work environment, which includes, but is not limited to, the use of intimidation, threats, blackmail or coercion. Decisions made through the proper use of managerial and supervisory responsibilities are not considered as abuse of authority.

15.2 Employees shall be aware of everyone in the Company is treated with dignity, is valued as a contributor and that abuse of power and gender discrimination are not tolerated. Employees shall report incidents of abusing of power, or has reason to believe abusing of power is occurring, to their immediate superior or adhere to the Whistleblowing Policy.

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16.0 COMMUNICATION WITH PUBLIC

- 16.1** The Group's communication to the relevant public must be accurate, consistent and does not violate its corporate confidentiality, applicable policies, laws or sensitivities. Published information may cause significant effect on the HPP's reputation and commercial consequences.
- 16.2** Communication with the public includes those with the multimedia, financial analysts and investors, communities, industry partners, customers, and other members of the public.
- 16.3** Material information from the Group shall be fairly accessible and uphold transparency to the general public and the Group applies non-discrimination policy to receivers of the material information. Selective disclosure is prohibited.
- 16.4** HPP may withhold or delay disclosure of certain material information of which, if released, would undermine the interests of the Group or interests of shareholders in general.
- 16.5** If confidentiality of information is lost or cannot be maintained, the Group shall immediately announce the information to Bursa Securities.
- 16.6** In general, Employees of HPP should not respond to any unproven news and stand in any position to speak on behalf of the Group as a whole. This is to prevent any undesirable impact to the interests of the Group or shareholders in general unless it is required by the relevant authority.

17.0 WHISTLEBLOWING POLICY

- 17.1** The whistleblowing policy offers protection to those who make their concerns known in good faith and if the disclosure has been made to the appropriate person. An anonymous/safe avenue is provided for the employee, officer or stakeholder to report or disclose through established channels, concerns about any violations of the Code, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.
- 17.2** Any concerns raised will be investigated and a report and update are provided to the Board, through the Audit and Risk Management Committee.
- 17.3** The Board will review the whistleblowing policy as and when necessary to ensure that it remains relevant and appropriate. The whistleblowing policy can be viewed on the Group's website at <http://www.hppholdings.com>.

18.0 ADMINISTRATION OF CODE

18.1 Reporting a violation

- (i) Employees within the Group have their right and responsibility to ensure that any instance of actual or suspected violation of the Code is reported promptly.
- (ii) The Group practices an open-door policy and encourages the Employees to share their questions, concerns or suggestions with someone who can address them properly. In most cases, his or her immediate superior is in the best position to address any concerns.

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- (iii) All instances or suspected violation of the Code received by the departmental heads must be escalated to the Human Resource Department who in turn, will collaborate with Group's internal audit function on investigations.
- (iv) When the Employees raise a concern or report a violation, their identities will be kept confidential. However, the consent will be sought should there be a need to disclose the Employee's identity for investigation purposes. Please take note that the investigation may be impacted if the Employee himself does not provide any consent or if Employees choose to remain anonymous.
- (v) The Group expects all parties to act in good faith and have reasonable grounds when reporting a concern or issue. If allegations are proven to be malicious, parties responsible may be subject to appropriate action, up to and including legal action, where applicable.

18.2 No retaliation

- (i) The Company makes every effort to maintain the confidentiality of any individual who reports concerns and possible misconduct. The Group does not tolerate retaliation against individual who discloses any actual or suspected violations in good faith. Employees will not suffer harassment, retaliation or adverse employment consequence for speaking up or cooperating in an investigation. Any Employee who retaliates against others who make a report in good faith will be subject to disciplinary action up to and including termination of employment or dismissal.

19.0 INVESTIGATIONS

- 19.1** The Company shall investigate reported concerns promptly and confidentially with the highest level of professionalism and transparency. All internal investigations and audits are conducted impartially and without predetermined conclusions. Each and every Employee shall be expected to cooperate fully with audits, investigations and any corrective action plans, which may include areas for continued monitoring and assessment.
- 19.2** Where external investigations are required, every Employee shall appropriately respond to, cooperate and shall not interfere with, any lawful government inquiry, audit or investigation.

20.0 REVIEW OF THE CODE

- 20.1** The Code was first adopted on 25 November 2019 and will be reviewed at least once every three (3) years by the Board and Senior Management as and when necessary. This Code shall be disclosed on the Company's website.
- 20.2** Any revision or amendment to the Code, as proposed by the Board, Senior Management or any third party, shall first be presented to the Board for its approval.
- 20.3** Upon the Board's approval, the said revision or amendment shall form part of the Code and this Code shall be considered duly revised or amended.
- 20.4** This Code was last reviewed and approved by the Board of Directors on 18 July 2024.