GADANG HOLDINGS BERHAD

Registration No. 199301023376 (278114-K)

CODE OF ETHICS AND CONDUCT FOR DIRECTORS

1. INTRODUCTION

The Board of Directors ("the Board") of Gadang Holdings Berhad ("Gadang" or "the Company") and its subsidiaries ("the Group") have adopted this Code of Ethics and Conduct for Directors ("the Code") to undertake their oversight responsibility in the best interest of the Company and the Group within the scope of their authority and fiduciary duties.

The Board acknowledges the importance of establishing a standard of ethical behaviour for Directors based on acceptable beliefs and values that uphold professionalism, credibility and good corporate integrity.

2. OBJECTIVES

The Code is formulated to enhance the standard of corporate governance and corporate behaviour to achieve the following objectives:

(a) To establish a standard of ethical conduct for directors based on acceptable beliefs and values a person of the right mind upholds.

(b) To uphold the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing a company.

This Code is not intended to be exhaustive. It should be read in conjunction with the existing framework of all relevant laws and regulations as well as the directives and policies of the Group including any relevant best practices/standards in corporate governance and provisions of the Constitutions of companies within the Group.

3. PRINCIPLES

The principles of this Code are drawn and derived from best practices in Malaysia and principles in relation to sincerity, integrity, responsibility and corporate social responsibility below:

(a) Duty to act in the best interest of the Group
Directors have a duty to act in the best interest of and fulfil their fiduciary obligations to the Group and its shareholders.

(b) Objectivity
Directors shall not allow any conflict of interest, bias or undue influence of others to override their business and professional judgement. They shall declare, to those concerned, all matters that could impair their objectivity.

(c) Integrity
Directors discharge and perform their duties to the Group, its shareholders and other stakeholders by honestly observing high standards of ethical behaviour and abiding by all laws, rules and regulations.

(d) Sustainability
Directors take into account sustainability considerations in setting the strategy direction of the Group.

4. CODE OF ETHICS AND CONDUCT

In the performance of his or her duties, each Director must comply with the letter and spirit of the following:

(a) Corporate Governance

i) act in the best interest of, and fulfil their fiduciary obligations to the Group and its shareholders;
ii) act honestly, fairly, ethically and with integrity;
iii) conduct themselves in a professional and respectful manner and not take improper advantage of their position;
iv) act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
v) use their prudent judgement to avoid/abstain from all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Group, and to inform the Board, at the earliest opportunity, of any existing or potential conflict of interest situation;
vi) not to exploit for his/her personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the Group declines to pursue such opportunity for its business interest;
vii) act to enhance and maintain the reputation of the Group; and
viii) strive to contribute towards the growth and stability of the Group.

(b) Conflict of Interest

i) Directors should avoid conflict of interest as far as possible.

ii) Directors are required to declare at all times the nature and extent of any conflict of interest, whether direct or indirect, or whether actual or potential, with the Company or its subsidiaries, and if so, required by the relevant Board/ Board Committees, to recuse themselves from any deliberation and decision relating thereto.

iii) Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

iv) Where a potential or actual conflict arises, every Director shall adhere to the procedures provided by the relevant laws and the relevant internal documents, in particular, the **Conflict of Interest Policy**.

(c) Guidelines for Giving and Acceptance of Gifts

i) Generally, Directors receiving or giving gifts or hospitality (such as entertainment) are responsible for assessing whether it is appropriate, such as whether there is any obligation incurred, or whether such offer and acceptance can be construed as a bribe.

ii) Entertainment in the form of customary business amenities such as meals with associated drinks may be accepted or offered provided it is not unduly lavish or frequent, and does not have a bearing on the decision-making of a particular business transaction.

iii) Under no circumstances may Directors offer to pay, make payment, promise to pay any money or provide anything of value to customers, suppliers, consultants, government employees or officials, etc. that is perceived as intended to directly or indirectly influence any business decision, any act or failure to act or any commitment of fraud.

The following serve as a guideline on acceptance of gifts:

a) The conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest;

b) Board members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organization having dealings with the Company;

c) Board members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board member;

d) Gifts other than of token value should generally be refused; and

e) The purpose of the gifts shall never influence Directors' actions as a member of the Board, or where acceptance of the gift could otherwise reasonably create the appearance of a conflict of interest or cause others to perceive an influence.

Any questions regarding whether a particular payment or gift and/or the appropriateness of accepting a gift or offer of entertainment (if any) should be directed to the Audit Committee.

(d) Anti-Bribery And Corruption

To observe high standards of business, professional and ethical conduct, the Directors (whether acting in their capacity or on the Group's behalf) are committed to refrain from offering, giving or receiving any gifts and any other form of benefits (in kind, cash, advantages and/or favour, etc) from persons or entities who deal with the Group where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.

(e) Confidential Information

i) Directors may come into possession or access to confidential, sensitive and non-public information ("Internal Information") in the course of their directorship with the Group. Directors must treat all such information in the strictest of confidence, not disclose such information to any unauthorised persons and take all necessary precautions to maintain such confidentiality and not use it, directly or directly, for any purpose other than what it has been intended, except when disclosure is authorised or legally required.

ii) All information referred to in Paragraphs 9.04 and 9.19 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") are deemed material and must be treated as strictly confidential, before the relevant announcements being released by the Company to Bursa Securities.

iii) The obligation to preserve the Group's Internal Information is ongoing even after an individual ceases to be a Director of the Company.

(f) Insider Trading

i) Directors who possess unreleased material and market-sensitive information which is not announced and available in the public domain, must not use the information to:

a) deal in the Company's securities or procure another person to acquire or dispose of the Company's securities or enter into any agreement to do so; or

b) communicate such information to any unauthorised persons, to cause the third party to trade in the Company's securities or enter into any agreement to do so or procure another person to acquire or dispose of the Company's securities or enter into any agreement to do so.

ii) When dealing in the securities, Directors shall comply with the relevant laws on trading in securities and observe the processes and procedures prescribed by the Company in relation thereto from time to time.

(g) Company's Assets

i) Every Director must safeguard the Company's assets including its physical, premises, equipment, and facilities as well as the records and information/data (both physical and electronic means).

ii) The company's assets shall only be used in a safe, ethical and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

(h) Compliance of Laws, Rules and Regulations

Every director shall comply with all applicable laws, rules and regulations including the Company's Constitution, relevant policies of the Group and guidance and directives issued by the authorities, while discharging his/her duties and responsibilities.

(i) Anti-Money Laundering

i) Directors should not tolerate any form of money laundering activities. Appropriate measures shall be implemented to know who the Group is doing business with, to prevent the Group's financial transactions from being used by others to launder money.

ii) Directors shall be made aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.

iii) Directors are expected to be mindful of the risk of the Group's business being used for money laundering activities and to promptly raise any suspicious transactions to the Company.

(j) Fair Dealing and Anti-Competition

In the interests of preserving the reputation and integrity of the Group, a Director shall act impartially, honestly and responsibly in dealing with all employees, stakeholders, regulators and the public where he/ she shall not:

i) compete or aid/ assist other competitors to compete with the Group; and

ii) take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

5. WAIVER

Any waiver of the application of principles/ standards outlined in this Code may only be made by the Board of Gadang or an authorised Committee of the Board of Gadang and may be granted on a case-by-case basis, as it deems fit and appropriate.

6. REPORTING VIOLATIONS OF THE CODE

Directors must immediately report any concern about possible/actual breaches of the Code by any director to the Chairman (or the Senior Independent Non-Executive Director). The Board shall determine the appropriate actions to be taken after considering all relevant information and circumstances or may take the necessary action to ratify the non-compliance by the relevant Directors.

7. ENFORCEMENT OF THE CODE

In the event of any violation of this Code by any Director, the Board of Gadang shall determine the appropriate actions to be taken after considering all relevant information and circumstances.

8. PERIODIC REVIEW

This Code shall be reviewed by the Board, as and when necessary. This Code is available on the Company's website www.gadang.com.my.

Approved by the Board on: 22 April 2024