



HALEX GROUP

Corporate Code of Conduct & Ethics

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1. INTRODUCTION

The purpose of this Code of Conduct and Ethics (“Code”) is to specify and assist as a reference point to all the members/employees of Halex Group (“Halex”) on a certain non-negotiable minimum standards of behavior in key areas of the company to uphold the standard principles and values which Halex stands by.

This Code, by its nature is not meant to cover all possible situations that may occur in daily works. In cases where answers are not specified in the Code, employees are to seek guidance when they are in doubt as it is the responsibility of each individual employee to ensure full compliance to the Code and that cannot be delegated. This Code shall be reviewed and updated regularly to ensure continuing relevance. Employees should always be guided by the following basic principles:

- To act honestly and legally at all times;
- To ensure confidentiality of the company’s information;
- To avoid any conduct that could risk or damage Halex’s reputation;
- To avoid personal interest being ahead of company’s interest.

Note: References to “members/employees” includes:

- All members of Halex’s Board of Directors;
- All employees of Halex; and
- Any other representatives of Halex.

2. ROLES & RESPONSIBILITIES

2.1 Directors

All Directors of Halex shall at all times observe the principles of their Roles & Responsibility as specified in the Halex Board Charter.

2.2 Management

The management shall at all times observe the principles of the Code which are not limited to the following:

- i) Ensure that all policies, standards and procedures are communicated to all employees.
- ii) Ensure that the Code is included as part of the company's orientation and employee to acknowledge receipt when reporting for duty.
- iii) To report to the Board of Directors ("Board") on any serious offence or violations to the Code where the management believe has been, is being or likely to be committed.

2.3 Employees

Employees shall at all times observe the principles of the Code which are not limited to the following:

- i) To acknowledge and be conversant with matters pertaining to the Code.
- ii) To report to the Management of any violations to the Code that they believe to have been, is being or likely to be committed.
- iii) To escalate and seek advice from the Management on ethical matters that cannot be resolved ensuring that appropriate decisions are made.
- iv) To abide to all legal requirements and the Company's policies, standards and procedures with the behaviors embodied in the Code.

3. ETHICS

3.1 Compliance to Laws, Rules and Regulations

Halex and its employees are bound by all the applicable laws, rules and regulations. Compliance with all applicable laws and regulations should not be compromised.

3.2 Conflict of Interest

Conflict of Interest which occurs when personal interests of an employee or a third party competes with the interests of Halex resulting an employee to not act in the best interest of the company. It may arise in situations such as:

- Engaging in activities that compete with, or appear to compete with, the Company's interests;
- Using company's property, information or resources for personal benefit or the benefit of others;
- Receiving any personal or financial benefit from in providing services to or work for a supplier, customer or competitor or a company that seeks to do business with Halex.

All members and employees of Halex shall avoid Conflicts of Interest whenever possible. If a situation has occurred or may lead to Conflict of Interest, the employee shall promptly disclose it to his or her Line Manager and/or the HR to resolve the situation in a fair and transparent manner.

3.3 Insider Trading

All members and employees of Halex are not to disclose material non-public information to anyone outside the company which may be a potential share price relevant information including family members and friends. Where members and employees have material, non- public information about the company they must not deal in securities of the company including to engage in activities that are designed to hedge or offset any decrease in the market value of Halex's securities. Non-compliance may entail disciplinary sanctions by Bursa Malaysia, and also results in criminal charges.

Material non-public information that could potentially influence the investment decisions of investors may include but not limited to, the following:

- Financial information such as sales and profits;
- Information concerning dividends;
- Information concerning alliances with other companies, including merges and acquisitions;
- Information concerning charges of major suppliers;
- Information concerning new products or new technologies.

3.4 Anti-Corruption & Fraud

Anti-Corruption Laws of Malaysia and countries which Halex does business shall be complied with. Corrupt arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited.

Employees of Halex must not engage in any fraudulent or dishonest activity involving the property/ assets or the financial reporting and accounting of Halex. This may entail disciplinary sanctions as well as criminal charges.

3.5 Confidentiality

Confidential information consists of any information that is not public information or non-published financial or other company information which includes business plans, trade secrets, salary and etc. Employees shall not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of employment. Furthermore, employees must exercise care to avoid unintentional disclosure.

4. COMPANY'S RELATIONSHIP

4.1 With Shareholders

Halex shall protect and deliver values on shareholders' investment. Company's contact, handling and cooperation with shareholders should be carried out in a professional manner. Halex is committed to clearly communicate its strategy and activities regularly to its shareholders in efforts to create value. Employees who are approached by shareholders or prospective shareholders on confidential or sensitive information should refer them to Halex's Investors Relations team.

4.2 With Employees

i) Human Rights

Recognizing the importance of promoting the Fundamental Human Rights to maintain a harmonious working environment, programs, regulations and policies of the company shall surround the following fundamentals:

- Fair and equitable wages, benefits and other conditions of employment given in accordance with local laws;
- Humane and safe working conditions;
- Forced or child labor is strictly prohibited;
- Workplace to be free of discrimination and harassment.

ii) Safety and Health

Halex shall strive to create, maintain and improve for a safe and secure work environment for its employees. All employees of Halex are also responsible for maintaining a safe workplace, where if there are any instances of accidents, injuries, unsafe equipment, practices or conditions, it shall be reported immediately to the relevant persons.

iii) Privacy Protection

Every employee is expected to respect each other's privacy and not to disclose personal information obtained in the workplace or business operations to others without the consent of the individual, unless required by law.

Personal information of the Board of Directors, Management and Employees shall be treated as highly confidential. Access to and knowledge of the said will be limited to people in the Company who need the information for legitimate purposes only.

iv) Equal Opportunity

Halex shall be committed to provide equal employment opportunities for all applicants regardless of the race, color, ethnicity, sexual orientation, religion, national origin, gender or disability.

Employees / job applicants shall not be unfairly treated in matters pertaining to the recruitment, hiring, training, promotion, compensation or any other terms and conditions of employment. Employment decisions on employees or applicants shall always be based on merit, qualifications and job-related performance. Unlawful discrimination in relation to employment will not be tolerated.

v) Anti- Harassment

Any forms of "Harassment", either physical or verbal / in person or written are unacceptable in the work environment of Halex. Halex is committed to provide a harassment-free environment to ensure individual work performance would not be interfered.

Any forms of Sexual Harassment will not be tolerated and actions will be taken in accordance to the applicable laws. Employees are encouraged to speak out when other Employee's conduct are inappropriate and to report any form of harassment when it occurs.

vi) Criminal Breach of Trust

Directors and Employees who have been trusted with property or dominion over property shall not commit a criminal breach of trust in violation of any laws of the country in which the business is conducted.

4.3 With Customers

Customer sales and trade spending agreements shall conform to Halex's policies and must be in writing.

Customer's information that is sensitive shall remain confidential as provided under the law. Access should only be for those who have a need to know could have access to such private or confidential information.

Halex shall strive to maintain the highest standard of quality and respond to feedbacks on our products and services to ensure our valuable reputation remains well.

4.4 With Suppliers & Business Partners

Halex shall hold the same standard of integrity which we hold ourselves to and shall not do business with parties who are likely to harm the Company's reputation. All suppliers or business partners of Halex must comply with the Company's expected standard and shall not be involved in any act prohibited by the laws or against the Code.

5. COMMUNICATION

5.1 Whistle- Blowing

Halex encourages its employees to communicate/ report/ disclose concerns about any violations of the Code, unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future through the channels established. Reports made should be in good faith and not made for personal gain with a reasonable belief that the information and any allegation in it are substantially true.

Reports will be thoroughly investigated and the identity of the whistle blower will be kept on a strict confidentiality. In case where malicious and false allegations are found, it will be viewed seriously and the whistle blower may be seen to have instigate a gross misconduct and if proven may lead to a dismissal or termination of the whistle blower who abuses this system.

5.2 Corporate Disclosure

Material information from Halex shall be fairly accessible to the general public and the Company applies non-discrimination policy to receivers of the material information. Selective disclosure is prohibited. The Company may withhold or delay disclosure of certain material information of which, if released, would undermine the interests of the Company or interests of shareholders in general. In such case, the Company shall ensure that confidentiality is maintained at all times to minimize leakage of information. If confidentiality of information is lost or cannot be maintained, the Company will immediately announce the information to Bursa Securities Malaysia Berhad.

Directors, Management and Employees should not respond to any rumour, unless the rumour brings undesirable impact to the interests of the Company or shareholders in general or it is required by relevant authority.