



# Code of Conduct & Ethics

## Introduction

The Board of Directors (“the Board”) of Rhong Khen International Berhad (formerly known as Latitude Tree Holdings Berhad) (“RKIB” or “the Company”) has adopted this Code of Conduct and Ethics for the Directors and employees of the Company (“Code”). The Code covers a wide range of business practices and procedures. It does not cover every issue that may arise but sets out basic principles to guide all the Directors and employees of the Company and its subsidiary companies (“the Group”).

Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the Company’s reputation and the success of its operations. Directors and employees consider that the highest standards of business conduct and ethical behaviour should govern the exercise of their duties and responsibilities in the Company. This Code describes the standards of business conduct and ethical behaviour for Directors and employees in the performance and exercise of their responsibilities in the Company or when they are representing the Company.

Accordingly, this Code is established to reflect the commitment of the Directors and employees to such standards. No code can offer a complete guide to cover all possible situations that might be encountered, and the Directors and employees must exercise judgment in applying the principles embodied in this Code to any situation. The provisions of this Code are in addition to, and not in substitution for, any obligation imposed upon a director or an employee by agreement, common law, equity, statute, or regulation. Compliance with this Code will not relieve a director or an employee from any such obligations.

## 1. Compliance with laws, rules and regulations

- 1.1 Each director and employee shall comply with all applicable laws, rules and regulations as well as customs and traditions of the country in which the Group operates.
- 1.2 Directors have a responsibility to be sufficiently familiar with legislation or regulations that apply to their directorships and to recognize potential liabilities, seeking legal advice where appropriate in accordance with the Company’s internal procedures governing the seeking of external advice by any Director.
- 1.3 Directors and employees must not engage in or give the appearance of being engaged in any illegal or improper conduct that is in violation of this Code or that indicates a casual attitude toward compliance with laws, regulations, or this Code.
- 1.4 Directors and employees must cooperate with regulatory agencies as well as report information on violation of or non-compliance with existing laws or regulations to concerned persons.



## **2. Corporate Governance**

- 2.1 Directors and employees should have a clear understanding of the aims and objectives, capabilities and capacity of the Company and should at all times exercise their powers for the benefit of the Company.
- 2.2 Each Director should devote sufficient time and effort to attend meetings and to know what is required of the Board and of each Director, and to discharge those functions. Therefore, Directors should limit the number of directorships they take up in accordance with the amount of available time at their disposal for the discharge of their duties.
- 2.3 Directors should ensure that at all times, the Company is properly managed and effectively controlled and should insist on being kept informed by Management on all important matters of the Company, in order to be effective in corporate management.
- 2.4 Directors should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with relevant legislation and contractual requirements.
- 2.5 A Director or an employee should be willing to exercise independent judgment and, if necessary, oppose positions which in his/her view, are to the detriment of the Company or are contrary to the best interests of the Company.

## **3. Conduct of Business and Fair Dealing**

- 3.1 No Director or employee shall:
  - compete with the Company by providing services to a competitor; whether as an employee, officer or director;
  - profit, or assist others to profit, from confidential information or business opportunities that he/she gains by virtue of his/her directorship or as employee of the Company;
  - improperly influence or attempt to influence any business transaction between the Company and another entity, in which a director or an employee has a direct or indirect financial interest or acts as an employee, officer or director; or
  - take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material facts and/or other unfair practice.

## **4. Conflicts of Interest, Corrupt Practices, Unlawful and Unethical Behaviour, and Improper Use of Company Assets**

- 4.1 Every Director and employee have a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company, or which divides his/her loyalty to the Company. Each Director must deal at arm's length with the Company and should disclose to the Chairman and Executive Directors, any conflict or any appearance of a conflict of interest on his/her part.



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- 4.2 Any activity which even appears to present such a conflict must be avoided or terminated unless, after such disclosure to the Board, it is determined that the activity is not harmful to the Company or otherwise improper. The end result of the process of disclosure, discussion and consultation may well be the approval of certain relationships or transactions on the grounds that, despite initial appearances, no conflict in fact exists.
- 4.3 Each director and employee undertake to comply with all applicable laws, rules and regulations currently in force in Malaysia in relation to corrupt practices, unlawful and unethical behavior, as well as improper use of company assets, including but not limited to the Companies Act 2016, Penal Code (Act 574), the Malaysian Anti-Corruption Commission Act (2009) and the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (2001), as well as all amendments and revisions thereto currently in force in Malaysia.

## **5. Use of Non-Public Information and Disclosure (Insider Trading)**

- 5.1 A Director or an employee who has in his/her possession important information about the Company that has not been disclosed to the public, must keep such information confidential. Directors and employees who have access to confidential information about the Company or any other entity are not permitted to use or share that information for the purposes of trading in the securities of the Company, the securities of the other entity, or for any purpose other than the conduct of the Company's business.
- 5.2 Directors and employees shall maintain the confidentiality of any non-public information obtained in the course of the performance of their duties on behalf of the Company, except when disclosure is authorized or legally mandated.

## **6. Use of Company Funds, Assets and Information**

- 6.1 Each Director and employee shall protect the Company's funds, assets and information and shall not use the Company funds, assets or information to pursue personal opportunities or gain.
- 6.2 No Company's funds, assets or information shall be used for any unlawful purpose.
- 6.3 No undisclosed or unrecorded funds or assets of the Company shall be established for any purpose.

## **7. Giving and Receiving Gifts and Gratuities**

- 7.1 Directors or employees must not offer or accept hospitality, gifts or personal favor that could, in any way, influence or appear to influence, business decisions in favour of any person or organisation with whom or with which the Group has, or is likely to have, business dealings.



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- 7.2 Similarly, every Director and employee must not accept any other preferential treatment under these circumstances because of their positions with the Group might be inclined to, or be perceived to, place them under obligation to return the preferential treatment.
- 7.3 The Directors or employees must ensure that the gift offered and received are not illegal under any applicable laws in the countries of both the offeror and recipient of such gift and does not violate the Company's Anti-Bribery and Anti-Corruption Manual ("ABAC Manual").

## **8. Preventing corruption and offering a bribe**

- 8.1 Bribery and corruption in all forms relating to the Group's business are strictly prohibited. The Company had established an ABAC Manual which sets out rules and guidance on how to deal with improper solicitation, requests for bribes and other corrupt activities and issues that may arise in the course of business. The ABAC Manual is applicable to all Directors and employees of the Company as well as all its subsidiaries and related or associated companies including business associates who perform services for and/or act for or on behalf of RKIB.

## **9. Social Responsibilities and the Environment**

- 9.1 The Company shall constantly conceptualise and implements corporate social responsibility programmes and initiatives to minimise environmental impact.
- 9.2 Directors and employees shall be responsible to maintain a safe and healthy workplace by following safety rules and practices and by reporting accidents, injuries and unsafe equipment, practices, or conditions. Group related work is performed in a safe manner, free from the influences of alcohol, illegal drugs or controlled substances. The use of alcohol, tobacco or illegal substances inside the workplace is not tolerated.
- 9.3 Directors and employees shall ensure that the activities and the operations of the Company do not harm the interests and wellbeing of society as a whole.
- 9.4 The Company is committed to providing all Directors and employees with an environment that respects their basic human rights and is free from discrimination and harassment. Each Director and employee are responsible for taking all reasonable precautions to not demonstrate behavior that can be reasonably construed as discriminatory or harassing in nature, whether on grounds of gender, race, religion or sexuality. Directors and employees are encouraged to report all incidents of discrimination and harassment to the Chairman, Executive Directors, and Human Resources.

## **10. Proper Records and Communication**

- 10.1 Directors and employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:



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- false expense claims, attendance, production, financial or similar reports and statements.
- false advertising, deceptive marketing practices or other misleading representations.

## **11. Spokesman**

11.1 Only the Chairman, Executive Director, and Managing Director are authorised spokesmen of the Company. Other appointed agents may sometimes be appointed to speak on behalf of the Company temporarily, by the Chairman, Executive Director, and Managing Director.

11.2 Only the authorised spokesman or other authorised person is allowed to address the public, approve announcements, make press releases, clarify rumours and/or authorise the publication of any contents on the Company's website on behalf of the Company.

## **12. Whistle Blowing**

12.1 Whistle blowing is a specific mechanism by which a worker or stakeholder can report or disclose through established channels, 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.

12.2 Only genuine concerns should be reported under the whistle blowing procedures. Under the Company's whistle blowing policy, such report should be made in good faith with a reasonable belief that the information and any allegations in it are substantially true, and the report is not made for personal gain. Malicious and false allegations by the whistle blower will be viewed seriously and treated as a gross misconduct and if proven, may lead to dismissal or termination of the whistle blower who abuses this system. The identity of the whistle blower will always be kept in strictest confidentiality.

## **13. Breaches of the Code**

13.1 In case of breaches of this Code including violations of laws, rules, regulations or the Company's policies by any Director or employee, the Director/employee concerned or anyone who is aware of the matter is required to:

- (i) as soon as possible, disclose the violations to the Chairman, Executive Directors, and Human Resources;
- (ii) use best efforts to reduce the magnitude of damage/loss, if any; and
- (iii) strictly observe the whistle blower policy.

## **14. Waiver of the Code**

14.1 In extraordinary circumstances and where it is clearly in the Company's best interests to do so, the Chairman, upon recommendation by the Audit Committee



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and approval by the Board, may waive a director's compliance with any provision of this Code. Conditions may be attached to such a waiver.

**15. Review of this code**

- 15.1 The Board shall periodically review and reassess the adequacy of this Code and make such amendments to this Code as the Board may deem appropriate.

This revised Code was approved by the Board on 30 August 2022