



## **1. INTRODUCTION**

- 1.1 Sik Cheong Berhad (“**the Company**” or “**Sik Cheong**”) and its subsidiaries (“the Group”) are committed to conducting its business in a legal and professional manner while maintaining the highest standard of integrity and business ethics.
- 1.2 This Code of Conduct and Business Ethics (“**Code**”) sets out the underlying values, commitment, dedication, diligence and professionalism contributing towards the social and environmental growth of the surroundings in which the Group operates.
- 1.3 The purpose for formulating this Code is part of the Company’s efforts to cultivate corporate accountability at each individual level in order to ensure an ethical corporate environment can flourish and enable the Company to consistently reach high standards of corporate governance, corporate social responsibility (“**CSR**”) and professionalism.
- 1.4 This Code is applicable to all Directors, senior management (“**Senior Management**”) and employees including full-time, probationary, contract, and temporary staff (for the purpose of this Code, the Directors, the Senior Management, and all employees are collectively known as “**Employee(s)**”) of the Group.
- 1.5 Third parties engaged to act on behalf of the Group are also required to adhere to this Code and to similarly maintain the highest standards of conduct and business ethics.
- 1.6 This Code is not a comprehensive guide that covers every ethical situation 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 his/her Head of Department or the Human Resources Department for clarification or guidance.

## **2. OBJECTIVES**

- 2.1 This Code provides guidance on how and in what manner should the conduct of ethical practices be when undertaking business on behalf of the Group.
- 2.2 The objectives of this Code are as follows:
  - (a) to articulate the high standard of honesty, integrity, and ethical behaviour expected of the Employees throughout the Group;
  - (b) to ensure that the Group’s business interaction should not in any circumstances, be tainted by any malpractices;
  - (c) to improve the self-discipline of the Employees in order to provide good quality services;
  - (d) to ensure that the Employees act in the best interest in fulfilling fiduciary obligations to the Group;
  - (e) to ensure that the Employees conduct themselves professionally, courteously, and respectfully in the manner and do not take improper advantage of their positions;
  - (f) to ensure that the Employees act in good faith, responsibly, with due care and diligence, without allowing their independent judgement to be subordinated;
  - (g) to ensure that the Employees use their prudent judgement to prevent from all situations and/or decisions which give or may give rise to conflict of interest or potential conflict with his or her responsibilities within the Group;



- (h) to ensure that the Employees do not 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;
- (i) to prohibit unauthorised use of the Group's assets for the Employees' own personal interests;
- (j) to deter holding out or misrepresentation of the Group or the Senior Management; and
- (k) to avoid illegal, unethical or otherwise improper acts and ensure compliance with applicable laws, rules and regulations.

### **3. RESPONSIBILITY AND COMPLIANCE WITH THIS CODE**

- 3.1 Employees shall 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 of Directors ("**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.
- 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, be subjected to legal proceedings. Violation of applicable laws may subject the accused person to civil and/or criminal penalties imposed by regulatory authorities or courts, 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 the Group. In the event of a conflict between the content of this Code and any applicable law, the applicable law shall prevail, and Employees shall comply with applicable law.

### **4. SPECIFIC RESPONSIBILITIES OF THE DIRECTORS**

- 4.1 A Director of the Group must exercise his or her powers for a proper purpose and in good faith in the best interest of the Group.
- 4.2 A Director who is appointed by virtue of his/her position as a representative of a shareholder must act in the best interest of the Group in which he/she sits as a member of the Board. In the event of any conflict between his/her duty to act in the best interest of the Group and his/her duty to his/her nominator, he must not subordinate his duty to act in the best interest of the Group to his nominator.
- 4.3 In directing or managing the business and affairs of the Group, 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.
- 4.4 A Director is required to among others:
  - (a) maintain a sound understanding of the business, and keep abreast of relevant developments to ensure he/she is able to discharge his/her 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/her decisions and the basis for those decisions, including any dissenting views, are made known and properly minuted.

## **5. WORKPLACE CULTURE AND ENVIRONMENT**

### **5.1 Equal Opportunities and Non-Discrimination**

- (a) The Group practices the principle of diversity of the 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.
- (b) Employees should also 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.
- (c) Employees stand equal when being evaluated or assessed on their skills, knowledge, experience and performance. These are crucial to the overall success of the Group.
- (d) The Group does not tolerate direct or indirect discrimination, victimisation, intimidation, bullying, or harassment in the workplace.
- (e) This paragraph is to be read in conjunction with the Group's Diversity Policy, which is available on the Company's website.



## **5.2 Human Rights**

- (a) The Group recognises the importance of maintaining and promoting fundamental human rights in all of our operations. 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.
- (b) The Group operates under programmes and policies that:
  - (i) provide fair and equitable wages, benefits and other conditions of employment in accordance with local laws;
  - (ii) provide humane and safe working conditions;
  - (iii) prohibit forced or child labour; and
  - (iv) promote a workplace free of discrimination and harassment.
- (c) The Group is committed to building a work environment where openness, trust, and respect are integral parts of 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.

## **5.3 Harassment, Threats and Violence**

- (a) The Group considers harassment and discrimination to be unjust and damaging to the work environment. Employees are expected to obey all existing laws, policies, standards and procedures related to the work environment, and to respect fellow colleagues at the workplace.
- (b) The Group will not tolerate any act or threat of violence in the workplace. It undertakes 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.
- (c) Employees are responsible to report any harassment, intimidation, offensive, or inappropriate behaviour. All complaints or grievances will be investigated, and appropriate action will be taken to stop such conduct and prevent future occurrences.

## **5.4 Protection of Privacy**

- (a) 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.
- (b) 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 the Group unless required by law.
- (c) Employees must take precautionary steps to prevent the unauthorised disclosure of proprietary or confidential information, including protecting and securing documents containing this information.

## **5.5 Leading by example**

- (a) The Board and the Senior Management have the added responsibility for demonstrating, through their actions, the importance of this Code. Ethical behaviour is the product of clear and direct communication of behavioural expectations, modelled from the top and demonstrated by example.



- (b) 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.

## **5.6 Continuous training and development**

- (a) The Group believes that the 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.

## **5.7 Health, Safety and Environment ("HSE")**

- (a) The health of the Employees 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 policies and procedures as well as to raise any concerns which may represent a potential threat to health and safety.
- (b) Employees are responsible for reporting injuries and unsafe work practices or conditions as soon as they are being discovered or become known.
- (c) Employees who are managers and/or managing/engaging third-party staff, contractors, consultants, and/or Employees working for the Company, shall have the additional responsibility to ensure that all comply with all HSE requirements.

## **6. CONFLICT OF INTEREST**

- 6.1 Employees should avoid business, financial, or other direct or indirect interests or relationships which conflict with the interests of the Company or which divides his or her loyalty to the Company. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the Company or any of its subsidiary and affiliated companies. Directors must not use their position or knowledge gained directly or indirectly in the course of their duties for private or personal advantage.
- 6.2 Employees are required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, or whether actual or potential, with the Company or its subsidiaries, and where so required, to abstain from any deliberation and decision relating thereto.
- 6.3 Where a potential or actual conflict arises, every Director, senior management and employees shall adhere to the procedures provided by the relevant laws, including but not limited to the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

## **7. INSIDER TRADING**

- 7.1 Employees who possess Insider Information shall not:-
  - (a) deal in securities; or
  - (b) communicate such information to any unauthorised persons, for the benefit of themselves or any other persons.
- 7.2 When dealing in the securities, a Director, senior management, and employee of the Group shall comply with the relevant laws on trading in securities and observe such guidelines as may be prescribed by the Company and its subsidiaries in relation thereto from time to time.



7.3 For the purpose of this section, the “Insider” means a person who:-

- (a) possesses information that is not generally available which on becoming generally available a reasonable person would expect it to have a material effect on the price or the value of securities; and
- (b) knows or ought reasonably to know that the information is not generally available.

## **8. ABUSE OF POWER**

The abuse of power is defined as improper use of power, authority, or position of influence by a person towards others be it other employees, current or potential suppliers, customers, business associates, etc. to gain personal interest and benefits. Employees shall report such incidents or have reasons to believe abuse of power is occurring to the Audit and Risk Management Committee Chairman in accordance with the Company's Whistleblowing Policy.

## **9. PROTECTION OF GROUP ASSETS**

Employees shall take reasonable care to safeguard the assets of the Group, including its physical premises, equipment, and facilities as well as the records and information/data.

The assets of the Group shall only be used in a safe, ethical, and lawful manner and shall not be used for pursuing improper personal gain or opportunity.

This Code shall be reviewed by the Board periodically or as and when necessary to ensure it continues to remain relevant and appropriate.