



**SIN HENG CHAN (MALAYA) BERHAD**  
(Company No: 4690-V)

**CODE OF ETHICS FOR DIRECTORS**



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**CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS**

**1. BACKGROUND**

- 1.1 Directors hold a position of trust with the public and other stakeholders as well as with each other, and with officers and employees of the Company. Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the Company's reputation and the success of its operations. Members of the Board consider that the highest standards of business conduct and ethical behavior should govern the exercise of their duties and responsibilities as Directors of the Company.
- 1.2 Accordingly this Code of Business Conduct and Ethics for Directors is established to reflect the Board's commitment to such standards.

**2. INTRODUCTION**

- 2.1 The object of the Code is to enhance public confidence and trust in the integrity, objectivity and impartiality of the Company.
- 2.2 The Code describes the standards of business conduct and ethical behavior for Directors in the performance and exercise of their responsibilities as Directors of the Company or when representing the Company.
- 2.3 No Code can offer a complete guide to cover all possible situations that might be encountered, and the Directors acknowledge that they must exercise judgment in applying the principles embodied in the Code to any particular situation. The provisions of this Code are in addition to, and not in substitution for, any obligation imposed upon a Director by agreement, common law, equity, statute or regulation. Compliance with this Code will not relieve a Director from any such obligations.

**3. PRINCIPLES**

- 3.1 The principles on which this Code is based are as follows, and are drawn and derived from best practice in Malaysia<sup>2</sup> :

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<sup>2</sup> Director's Code of Ethics, issued by the Companies Commission of Malaysia



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Duty to act in the best interest of the Company

- 3.2 Directors have a duty to act in the best interest of the Company and in accordance with the mandate of the Company.

Selflessness

- 3.3 Directors will take decisions with the interests of the Company in mind, and will not act to gain financial or material benefit for themselves, their family or friends.

Integrity

- 3.4 Directors' will not place themselves under any financial or other obligation to any person that might reasonably be thought to influence them in the performance of their duties.

Objectivity

- 3.5 Directors will make decisions solely on merit when carrying out the business of the Company.

Accountability and Stewardship

- 3.6 Directors will consider issues on their merit, take account of views of others and ensure that the Company uses its resources prudently and in accordance with the law.

Openness

- 3.7 Subject to the restraints of the law, Directors will be as open as possible and give reasons about decisions and actions.

Honesty

- 3.8 Directors have a duty to act honestly and declare any private interests and take steps to resolve any conflicts arising in a way that protects the interest of the Company.



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Corporate Social Responsibility

- 3.9 Directors shall be conscious of the interest of shareholders, employees, creditors and customers of the Company.
- 3.10 Employees will respect and uphold the Company's Corporate Social Responsibility Policy.
- 3.11 Directors should at all times promote professionalism and improve the competency of management and employees as well as ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

Leadership

- 3.12 Directors have a duty to promote and support these principles by leadership and example.

Diversity and Inclusion

- 3.13 The Company recognizes the immense benefits brought to the Company by having a diverse multi-cultural and multi-disciplinary workforce. The Company is expected to respect and value the difference cultures, gender, religion and uniqueness of others.

**4. THE EXPECTED STANDARDS OF CONDUCT AND ETHICS**

Compliance with applicable laws

- 4.1 Directors shall comply with the laws and regulations governing their conduct. Directors have a responsibility to be sufficiently familiar with any legislation or regulations that apply to their directorship and to be to recognize potential liabilities, seeking legal advice where appropriate in accordance with the policy on external advice<sup>3</sup>.
- 4.2 Directors 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 towards compliance with laws, regulations or this Code.

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<sup>3</sup> Refer to Policy on Independent Professional / External Advice



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Compliance with the Company's policies

- 4.3 Directors have a responsibility to be knowledgeable regarding the Company's policies, and to comply with these policies.

Exercise of duties, act honestly and in the best interests of the Company

- 4.4 Directors shall, at all times, act honestly and in the best interests of the Company and use reasonable diligence in the discharge of the duties of his or her office.
- 4.5 Certain Directors may be subject to other specific obligations relating to their conduct and ethical behavior by virtue of the office(s) they may hold, from time to time, in the public sector. Such directors would need to take steps to resolve any conflicts arising in a way that protects the Company.

Duty not to make improper use of information or do anything which may be detrimental to the interest of the Company

- 4.6 A Director or officer of a company shall not, without the consent or ratification of the members of the Company –
- (a) use the property of the company;
  - (b) use any information acquired by virtue of his position as a director or officer of the Company;
  - (c) use his position as such director or officer;
  - (d) use any opportunity of the Company which he became aware of, in the performance of his functions as the director or officer of the Company; or
  - (e) engage in business which is in competition with the Company,
- to gain directly or indirectly, a benefit for himself or any other person, or cause detriment to the Company.
- 4.7 Directors acknowledge their common law duty, as fiduciaries, to subordinate their own personal interests to those of the Company.



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- 4.8 Directors shall disclose immediately all contractual interests whether directly or indirectly with the company.

**Maintain the highest standards and uphold Corporate Values**

- 4.9 Directors shall maintain the highest standard of ethical behavior and business conduct in the performance and exercise of their responsibilities as Directors of the Company or when otherwise representing the Company and uphold the Corporate Values of the Company.

- 4.10 Directors shall further conduct themselves in a manner that reflects the overall spirit of the Code.

**Confirmation of receipt**

- 4.11 To acknowledge their commitment to abide by the provisions of the Code, each Director shall sign the confirmation of receipt of the Code in the form attached in the Appendix 1 upon taking office or as soon as practicable and return it to the Chairperson.

**5. CONFLICT OF INTEREST CODE**

Directors have full knowledge of the Company's Conflict of Interest Code and agree to comply with the provisions of such Code.

**6. CONFIDENTIALITY**

Directors shall fully respect the confidentiality of the information they obtain because of their office.

**7. PUBLIC COMMENT**

- 7.1 Directors shall refrain from any public discussion, in the media or otherwise, regarding the Company's business, affairs, policies or organization.



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- 7.2 Only a designated spokesperson is authorised to issue a statement or make comments regarding the Company's position on a given subject. Where a Director is asked to comment publicly on any issue relating to the Company's affairs, the Director shall decline to comment and refer to the enquiry to the Executive Director of the Company.

## **8. FUNDAMENTAL RIGHTS**

The Company is committed to providing all Directors, officers and employees with an environment that respects their basic human rights and that is free from discrimination and harassment. Each Director is responsible for taking all reasonable precautions to not demonstrate behavior that can be reasonable construed as discrimination or harassment. All matters of concern can be channelled to Managing Director or any of the Independent Non-Executive Directors.

## **9. PERSONAL AND FAMILY RELATIONSHIPS**

- 9.1 A Director who has a personal or family relationship with another Director, officer or employee of the Company that could affect the credibility of the Company or the actions of the Director must be disclosed to the Board.
- 9.2 A Director who has a personal or family relationship with another Director, officer or employee of the Company must take steps to ensure that the relationship will not affect the credibility or reputation of the Company.
- 9.3 All disclosures to the Code shall be kept strictly confidential amongst the Board.

## **10. DISCLOSURE OF WRONGDOING OR BREACHES OF THE CODE**

Any Director who has come across the wrongdoings or information, is required to report on :

- (a) the conduct of another Director, officer or employee of the Company whom the Director has reasonable grounds to believe has done something unethical or illegal; and
- (b) breaches of this Code, including violations of laws, rules, regulations or the Company's policies.





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11. FAILURE TO COMPLY

Where a Directors' conduct constitutes a breach of the Code, the Board may recommend that the Director be removed from office.

12. POST-DIRECTORSHIP

Directors must adhere to this Code, as applicable, for such period as may be required by law or as may be reasonable after leaving office.

13. REVIEW OF THE CODE

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

The Code of Ethics for Directors was reviewed by the Board on 26 February 2018.



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Appendix 1

### CONFIRMATION OF RECEIPT FORM

I acknowledge that I have received a copy of the Code of Business Conduct and Ethics for Directors from Sin Heng Chan (Malaya) Berhad.

I have read the above-mentioned Code and agree to abide by the standards set out therein for the term of my office on the Board of Directors of Sin Heng Chan (Malaya) Berhad and for such period after leaving the service of the Company, as may be applicable to the Code or any provisions of the law.

\_\_\_\_\_  
Director's signature

\_\_\_\_\_  
Director's name

\_\_\_\_\_  
Date