

TEO SENG CAPITAL BERHAD

(Company No. 732762-T)

CODE OF CONDUCT AND ETHICS FOR DIRECTORS

1. Introduction

Teo Seng Capital Berhad ('the Company') always strive to uphold the highest level of business conduct and integrity in all transaction and interactions. Directors have the responsibility to lead by example of role model. Undeniable, the foundation of an ethical culture largely depends on the leadership, and thus the responsibility begins with the board. The Board of Directors ("the Board") of the Company has adopted this Code of Conduct and Ethics for Directors ('this Code') for Members of the Board to generate an environment which set integrity and accountability as parameter.

This Code sets out general principles. It doesn't cover every issues that may arise yet set out basic general guidelines. Directors are encouraged to raise the issue about particular circumstances that may implicate one or more provision of this Code to the attention of the Board. 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.

2. Principles

2.1. Compliance with Laws, Rules and Regulations

- 2.1.1. Each director shall comply with all applicable laws, rules and regulations, and shall use all reasonable efforts to oversee compliance by employees and other directors with all applicable laws, rules and regulations governing their conduct.
- 2.1.2. 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.
- 2.1.3. 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 toward compliance with laws, regulations or this Code.

2.2. Corporate Governance

- 2.2.1. Directors 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.
- 2.2.2. 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

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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.

- 2.2.3. Directors should ensure that at all times, the Company is properly managed and effectively controlled and should insist on being kept informed on all matters of importance to the Company, in order to be effective in corporate management.
- 2.2.4. 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.
- 2.2.5. A director 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.

2.3. Fiduciary Duty

- 2.3.1. Directors have a fiduciary duty to act in the best interest of the Company and the stakeholders as a whole. Therefore, director is obliged to act in a good faith to ensure that any act he undertakes is with a view to enhancing profits, reducing costs or even positive publicity of the Company.
- 2.3.2. Any information concerning the Company's business, its customers, suppliers, etc. to which the directors have access or which is possessed by the directors, must be considered privileged and confidential, and should be kept strictly confidential at all times.
- 2.3.3. Directors have a duty to act honestly and declare any private interests relating to public duties and take steps to resolve any conflicts arising in a way that protects the interests of the Company.
- 2.3.4. Directors shall not compete with the Company by providing services to a competitor; whether as an employee, officer or director.
- 2.3.5. Directors shall not improperly influence or attempt to influence any business transaction between the Company and another entity, in which a director has a direct or indirect financial interest or acts as an employee, officer or director.
- 2.3.6. Directors shall not take unfair advantage from any customer, supplier, competitor or other person through manipulation, concealment, and misrepresentation of material facts and/or other unfair practice.

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2.4. Avoiding Conflict of Interest

- 2.4.1. Every director has 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. Therefore, director must avoid conflict regardless it is business or personal interest interferes, or even appears to interfere, in whatever way with the interest of the Company. Conflict consider arise when director's action or decision that implicate any interest that might make difficulty to perform his duties objectively or effectively.
- 2.4.2. The Company respects the right of any director to participate in outside financial business, provided that those activities are legal and do not conflict with the director's duties. Director will disclose to the board, any conflict or any appearance of a conflict of interest on his/her part.
- 2.4.3. 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.
- 2.4.4. Actual conflicts must be avoided and potential conflicts must be declared, recorded and resolved. Where any transactions that involve the interest directly or indirectly, directors shall abstain from voting/deciding on the matter.

2.5. Dealing in Securities

- 2.5.1. Dealing in securities means an act of buying, selling or otherwise dealing in any security or agreeing to buy, sell or otherwise deal in any security by any person either as principal or as agent. A director who is in his or her possession of important information about Company that has not been disclosed to the public, such information must be kept confidential. Director is prohibited to use or share the information for the purposes of trading in the securities of the Company, the securities of other entity, or for any purpose other than the conduct of Company business. Non-public information obtained in the course of performing duties and responsibility shall remain undisclosed unless it is authorised or legally mandated.
- 2.5.2. A director must neither disclose to a third party, any information, nor make any forward looking statements, which are price sensitive in nature, except where the disclosure is:
 - (a) authorised by the Board; or
 - (b) the same is part of the public domain at the time of disclosure; or
 - (c) required by law or any regulatory body, including Bursa Malaysia Securities Berhad ("Bursa") or Securities Commission ("SC").

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- 2.5.3. Disclosure on dealing in the securities of the Company must be timely made to company secretary for announcement to Bursa and SC.
- 2.5.4. Directors shall not profit, or assist others to profit, from confidential information or business opportunities that he/she gains by virtue of his/her directorship in the Company.
- 2.5.5. Directors shall not involve trading in the securities of the Company during closed period unless proper announcement on his/her intention to deal the securities is first announced to Bursa before trading. Insider trading activities are strictly prohibited.

2.6. Privacy and Confidentiality of Information

- 2.6.1. Any information concerning the Company's business, its customers, supplier, etc. to which the directors have access or which is possessed by the directors, must be considered privileged and confidential, and should be kept strictly confidential at all times.
- 2.6.2. Directors are required to exercise due care during his or her term as director and after leaving the Board, must maintain the confidentiality of such information except when disclosure is authorised or legally mandated. In the event of a director is legally required to disclose any such information, prompt notice of such requirement is needed to provide to the Chairman of the Board and Chairman of the relevant committee for such requirements. Assets and confidential information should be fully protected.
- 2.6.3. Directors shall not share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information and refrain from any public discussion in the media.

2.7. Gifts and Hospitality

- 2.7.1. Directors shall not solicit or receive a valuable gift or favor from any person, company, or organisation that will directly or indirectly lead to the occurrence of potential conflict of interest. In other words, gifts or hospitality that considered to impair effective judgement, improper influence a decision or reaction is highly prohibited.
- 2.7.2. Business relationships are permissible in the usual forms of entertainment such as lunches or dinners which are deem appropriate in certain circumstances. Else, such favours shall be avoided if such favour believe that might create any impression of unduly influencing the respective business relationship or decision.

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2.7.3. Directors shall not receive or offer, directly or indirectly, any valuable gifts, remuneration, hospitality, donations, illegal payments and comparable benefits (which shall include but not be limited to cash, preferred loans, securities or secret commissions).

2.8. Whistleblowing

2.8.1. 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.

2.8.2. 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.

3. Breaches of the Code

In case of breaches of the code result of violations of law, rules, regulations or the Company's policies by any director, director or other directors are required to disclose the violation to the Chairman or other directors as quick as possible, make the best efforts to reduce the magnitude of damage and loss.

4. Waiver of the Code

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 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.

5. Review of the Code

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.