



Thong Guan Industries Berhad (“TGIB”)

BUSINESS ETHICS & CODE OF CONDUCT

Our Vision

Our Vision is to be the leader in providing value, solutions and services as the most technologically advanced plastic packaging film and additives manufacturer in Asia Pacific.

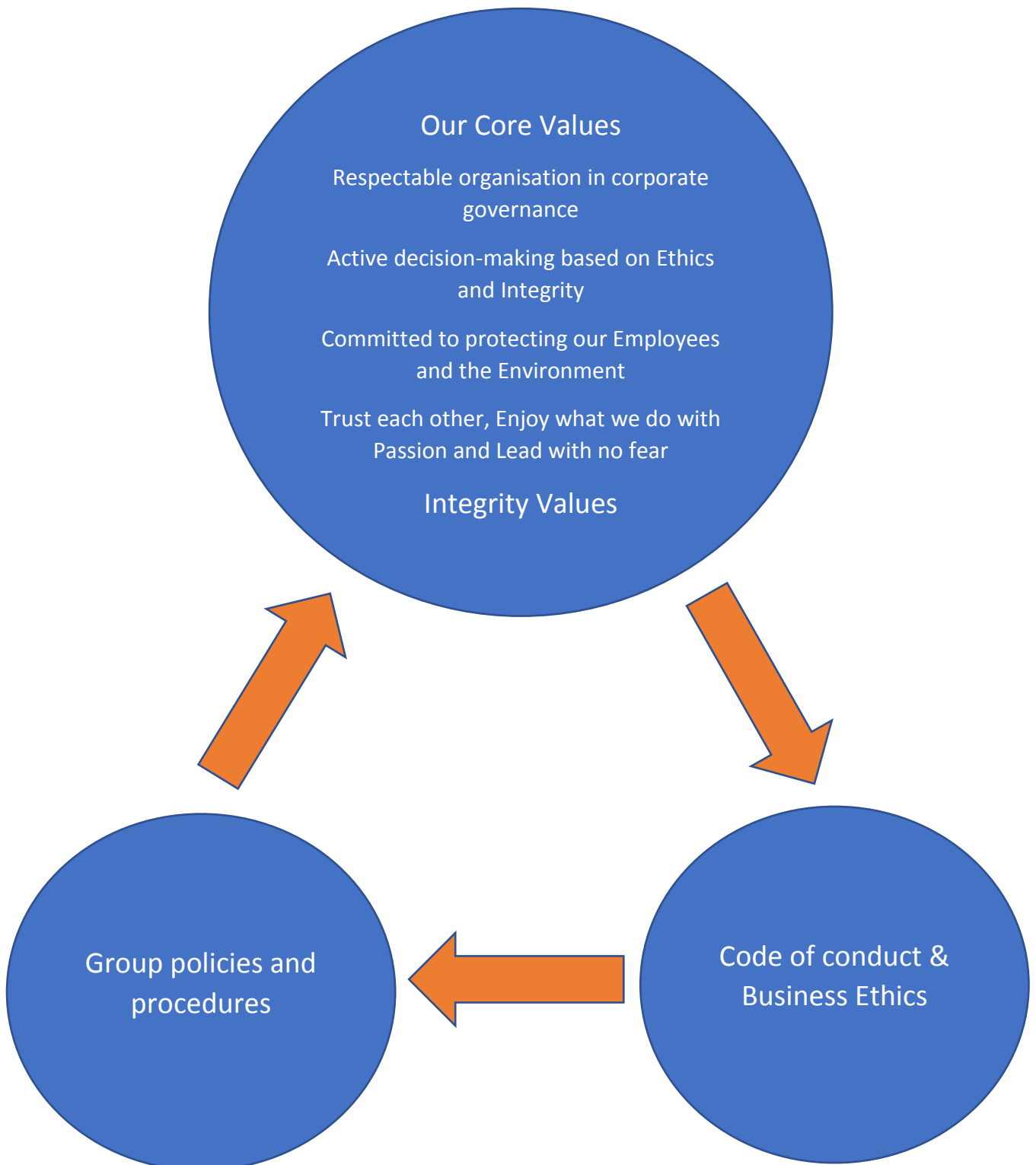
Our Mission

- ❖ Deliver uncompromising quality products and trustworthy services to our customers, partners and stakeholders
- ❖ Continually acquire knowledge and improvement that exceed customer expectations
- ❖ Create a safe working environment to promote strong, positive culture to retain talents and teamwork
 - ❖ Relentlessly seek technological innovation to excel in productions, quality assurance and yields
 - ❖ Cultivate the spirit of giving back and helping out in the community and the world



The Link Between TGIB's Guiding Values and Code of Conduct & Business Ethics

This diagram illustrates how the Code of Conduct and Business Ethics link to TGIB's Guiding Values and TGIB's Group policies and procedures. This means it has to be read in conjunction with these policies and procedures.





Introduction

The TGIB Group has created this Code of Business Conduct & Ethics to ensure that our employees' business decisions follow our commitment to the highest ethical standards and law. Adherence to this Code and to our other official policies is essential to maintaining and furthering our reputation for fair and ethical practices among our customers, shareholders, employees, communities and other stakeholders. Working with a strong sense of integrity is critical to maintaining trust and credibility.

The Code of Business Conduct & Ethics is our guide to appropriate conduct. It describes the moral and ethical behaviour that is expected from all employees. As members of TGIB Group, you should review the Code and policies that relate to your position and think about how they apply to you.

If in doubt, please refer to this Code as to how you can obtain information, express concerns or report any suspected Code violations.

As a Company, we must maintain our honesty and integrity. Complying with and upholding these commitments is essential to our continued success. Employees who do not comply with the Code of Business Conduct & Ethics may be liable to disciplinary action including the termination of employment and/or referral to the appropriate authorities for criminal prosecution, and legal action in some cases. It is your responsibility as an employee of TGIB Group to safeguard the integrity by behaving ethically or to report any Code violations that you are aware of.

If you have any questions or are unsure of what to do in a situation, you should seek guidance from your superior or manager.

Fairness

Fundamentally, all employees shall conduct themselves professionally following principles of fair play, based on agreed contractual obligations with dealing parties. Interest of the Group shall take precedence over that of the employee and other dealing parties. As a matter of principle, all employees are not to place themselves in a position where their professionalism and integrity may be compromised.

1. Responsibility and Accountability

1.1. Employees

All employees are to comply with this Code. Ignorance of the existence of this Code will not be accepted as an excuse for its breach. Disciplinary action will be initiated against those who violate this Code. TGIB will require all employees to declare that they will abide by this Code and it's the responsibility of the employees to keep themselves abreast of the latest update of this Code.



1.2. Managers and Business Unit Heads

Managers and Business Unit Heads, as business leaders, have added responsibility to demonstrate exemplary conduct and act with integrity. Additionally, they are expected to continuously promote high standards of conduct and business ethics amongst employees through making ethical behavior a cornerstone of conduct at TGIB. TGIB encourages consultation when in doubt of this Code.

1.3. Vendors, Suppliers and Contractors

TGIB also expects all vendors, suppliers, contractors and their respective subcontractors to comply with this Code in their dealings with TGIB. Our selection must be based on the track records, quality of their products and services. Our relationship with them should be purely professional in order to maintain independence in our business judgments.

1.4. Interpretation of This Code

The Code of Conduct and Business Ethics cannot anticipate every situation that may arise in today's complex and dynamic business environment. Hence, where relevant, read this Code in conjunction with the relevant prevailing policies and procedures. Where provisions in this Code generate differing interpretations from an applicable law or TGIB policy, the more stringent standard will prevail. In case of uncertainty, seek help and clarification before taking action.

This Code shall also be read in tandem with other governance policies and documents of the Group such as the Delegated Approval Limits, Whistleblowing Policy and Anti-Bribery & Anti-Corruption Policy.

Policies and Procedures

TGIB's policies and procedures are implemented to achieve business objectives through effective and efficient operations. Therefore, all policies and procedures must be strictly adhered to. Failure in observing these policies and procedures may result in disciplinary action.

Managers and Business Unit heads should exercise reasonable care to ensure that effective systems of business controls are put in place to ensure:

- Appropriate authority and responsibility are assigned to individuals.
- Proper authorization of transactions.
- Accurate and adequate records are maintained.
- Disclosure of information is on a need-to-know basis.
- Adequate segregation of duties and to avoid conflict of interest.



If an employee requires further clarification or views any policies or procedures to be inappropriate or outdated, they may discuss their concerns with their Managers/Business Unit Heads.

Social Media

Definition

Social media is a term for internet-based tools used in the sharing and discussion of information among people. It refers to user-generated information, opinion and other content shared over open digital networks. It may include but is not limited to:

- Social networking sites (e.g. Facebook, Myspace, LinkedIn, Instagram, Twitter).
- Video and photo sharing websites (for example Flickr, Youtube).
- Blogs, including corporate blogs and personal blogs.
- Blogs hosted by media outlets.
- Wikis and online collaborations (for example Wikipedia).
- Forums, discussion boards and groups (for example Google groups, Low Yat Forum).
- Podcasting.
- Instant messaging (including SMS).
- Geo-spatial tagging (Foursquare).
- Other emerging electronic/digital communication applications.

Guidelines for Authorized Employees

Authorization from the Managers/Business Unit heads/Managing Director is required for the professional use on behalf of TGIB.

Authorized employees must:

- disclose and comment only on information classified as public domain information;
- ensure that all content published is accurate and not misleading and complies with all relevant Company policies and other relevant requirements;
- ensure they are not the first to make an announcement, unless specifically given permission to do so;
- comment only on their area of expertise and authority;
- ensure comments are respectful of the community in which they are interacting online;
- adhere to the terms of use in social media platform or website;
- adhere to legislation including copyright, privacy, defamation, contempt of court, discrimination, harassment and any other applicable laws, and the Company's Privacy Policy;



- not post or respond to materials that are offensive, obscene, defamatory, threatening, harassing, oppressive, discriminatory, hateful, racist, sexist; or material that infringes on copyright laws, constitutes a contempt of court, breaches a court suppression order, or is otherwise unlawful;
- not use or disclose any confidential or secure information;
- not comment on or post any material that might otherwise cause damage to the Company's reputation or bring into disrepute.

Guidelines for Other Employees

Other employees should also be aware of and understand the potential risks and damages to the Company that may occur, either directly or indirectly, in their personal use of social media and beyond. Employees are to adhere to the guidelines below:

- expressly state that stated views are personal and are not representative of the Company;
- behave politely and respectfully;
- do not imply that you are authorized to speak as a representative of the Company nor give the impression that the views expressed are those of the Company's;
- do not use the identity or likeness of another employee;
- do not use the Company email address or logos or insignia that may give the impression of official support or endorsement of your personal comment.

Insider Trading

All Directors, employees and their Family members are required to comply with the applicable laws and regulations on insider trading, including restriction in dealing with publicly traded securities of TGIB at all times, whilst in the possession of material non public information or price sensitive information, until such information is generally available to the public.

In accordance to Section 188(2) of the Capital Markets and Services Act 2007, Directors and employees of the Group, including their Family members, shall not deal in shares of any entity listed or pending listing on a stock exchange at any time when he is in possession of information. This information could be obtained as a result of his directorship or employment by, or his connection with the Group which is not generally available to the public, and which, if it was so available, would likely bring about a material change in the market price of shares or other forms of securities of the entity concerned or affect the decision of a shareholder or investor.

The Directors and employees of the Group shall at all times safeguard all Confidential Information of the Group and shall never use it to trade in shares or other securities of TGIB or recommend or cause a Third Party to do so as prohibited by Section 188(3) of the Capital Markets and Services Act 2007. Unless authorised, Directors and employees shall only disclose such information by any order of any court or competent jurisdiction or any competent judicial, governmental or regulatory authority. Breach of insider trading laws and



regulations can result in severe criminal penalties, as spelt out in Section 188(4) of Capital Markets and Services Act 2007 as well as civil actions by the affected parties.

All Directors and employees of the Group shall abide by the applicable securities laws and regulations and avert relevant breaches, which include false trading, market rigging, market manipulation, fraudulent and misleading trading, electronic crime and dissemination of false information.

Anti-Money Laundering/ Anti-Terrorism Financing

Directors and employees of the Group are prohibited from being involved in money laundering and terrorism-financing activities as enshrined in the applicable AntiMoney Laundering/Counter Financing of Terrorism (“AML/CFT”) laws and regulations including the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities 2001.

The following are some example indicators of Money laundering and terrorism financing:

- Requests for payment amounts that differ from the milestones stated in the contract;
- Currency of payment that differs from that stated in the contract;
- Mode of payment used is outside the course of normal business practice; and
- Payments to/from parties that are not the contracting parties.

Directors and employees shall ensure that care and diligence are undertaken in the receipt and remittance of money through the performance of checks to identify discrepancies and red flags such as those highlighted in above.

It is the duty of every Director and employee to inform the Managing Director of the Group immediately should they detect or suspect any violations of the applicable AML/CFT laws in the course of their service with the Group. Any Director or employee who is found to be engaging or assisting in Money laundering activities may face criminal proceedings being instituted against them in accordance to the laws applicable on anti-money laundering.

Dealing with Conflict of Interest

Employees should avoid any situation that involves, or appears to involve, a conflict between their personal interests and the interests of the Company. That means employees should avoid circumstances that might affect their judgement or impartiality when performing their jobs.

List of non-exhaustive examples where a conflict of interest may arise:

- If an employee or immediate family is an owner or part-owner of a company of an TGIB customer, supplier or partner;



- If an employee receives personal gain from arranging a relationship between TGIB and a customer, supplier or partner;
- If an employee receives personal benefits, such as loans or guarantees of obligations, from a customer, supplier or partner;
- If an employee is connected with any business that has direct or indirect competition with TGIB;
- If an employee discovers an opportunity for personal gain through own position and or through the use of Company equipment or systems.

Employees with a conflict of interest must disclose any obligation, commitment, relationship or interest that could conflict or may be perceived to conflict with his or her duties by making a declaration to Managers/Business Unit heads or you may contact your respective Human Resource Department for a copy.

Gifts, Benefits or Entertainment

As a general principle, TGIB practices a “No Gift Policy”. A TGIB employee shall not be influenced by receiving favours nor shall they try to improperly influence others by providing favours. Employees shall not accept gifts, benefits or entertainment from a third party containing excessive value that would constitute a violation of laws or that could affect, or appear to affect, the professional judgement or create the impression of improperly influencing the respective business relationship. It can be viewed damaging to both the employee’s personal business reputation and that of TGIB’s.

Bribes or Kickbacks

In a business relationship, no employee should directly or indirectly, accept from any third party any kind of bribes, kickbacks or any other unlawful or unethical benefit that might be seen to be an activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

Employment of Family Members and Relatives

Whilst the Company permits employment of employee’s family members and relatives, declaration of such relationship must be made prior to approval of such employment and subject to conditions as per Company’s policies. Employment of family members of employees within the same department or division, depending on the nature of job, where it may cause rise of conflict, whether directly or indirectly will be at the sole discretion of the Company.

Declaration should also be made in the event an employee enters into a relationship with another employee during the course of employment or with a family member of that employee. The Company may, at its discretion, take the appropriate course of action. Decision made by the Company shall be final. Failure to adhere to such request would be deemed as a breach of the contract of employment.



If in doubt as to whether a situation is a Conflict of Interest, consult your respective Managers/Business Unit heads or Human Resource Department.

Protecting the Group's Assets

Directors and employees shall, at all times protect the Group's assets, both tangible and intangible assets from wastage, loss, vandalism or damage, misuse, theft, misappropriation or infringement of Intellectual Property rights and ensure these assets are used in a responsible, legal and prudent manner. Directors and employees shall not misuse the Group's assets for their own personal interest or for the purposes of any illegal activity.

Directors and employees are responsible for the protection of all the assets used in carrying out their responsibilities and for taking reasonable steps to prevent theft or misuse of, or damage to, such property.

Directors and employees shall ensure that all expenditures and usage of funds are made accurately. No secret funds or profit from the Group's money or other assets for unauthorised or unlawful purposes is allowed for any purpose whatsoever. Directors and employees shall also ensure that all expenditures are transacted in a transparent manner and is properly documented.

Directors and employees shall be responsible for all the assets of suppliers/ vendors that are entrusted under their care and Directors and employees shall treat those items with the same level of care as with all other physical properties belonging to the Group.

Directors and employees shall use the Group issued laptops and any mobile devices as directed and shall not use any external and unapproved materials/ software/ hardware or access restricted websites or domains. Directors and employees shall comply with all the policies related to the usage of computers and information technology and its amendments from time to time.

Confidential Information

Directors and employees shall hold in confidence all Confidential Information acquired during the term of service or employment with the Group and shall not disclose the same to unauthorised persons.

There are however several exceptions where such disclosures are acceptable/ required:

- Disclosure permitted by law and authorised by the Group; or
- Disclosure required by law (as a form of evidence during legal proceedings/ bringing to light any breach/ infringements of the law).



All Confidential Information is the property of the Group and must not be disclosed without prior Management approval. All employees, agents, consultants and representatives of the Group must exercise due care to protect such Confidential Information including those received from other parties.

When deciding on whether to disclose Confidential Information, factors that should be considered are:

- Such disclosure may affect the interest of all parties (including Third Parties); and
- Such disclosure is relevant to the recipient and the recipient is authorised by the Group or by law to receive such disclosures.

Work Environment and Employment

Diversity and Respect in the Workplace

TGIB is sincere in its commitment to build a work environment where openness, trust and respect are integral parts of our global 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.

The Company considers harassment and discrimination to be unjust and damaging to our work environment. Employees are expected to obey all existing laws, policies, standards and procedures related to work environment, and to respect fellow colleagues at the workplace.

TGIB will not tolerate any act or threat of violence in the workplace. Employees who bring weapons or hazardous materials to work or act in a manner inconsistent with the Code or intimidate other employees shall be dealt with severely.

Equal Opportunity Employment

Our employees are our most valuable assets. The Company's success depends on attracting and keeping a diverse workforce of talented employees. Every employee will be recognised for their skills, knowledge, experience and performance, which are vital to the growth of the organisation. The Company fully supports all principles of providing equal opportunity in employment.



Environment, Safety, Health and Security

Protecting the Environment

TGIB is committed to preserving the environment. The Company holds firmly to operating its businesses in ways that meet regulatory requirements on environmental impact in the countries or markets in which we operate. We strive to achieve a sustainable long-term balance between meeting our business goals and preserving the environment.

Safety, Health and Security at Work

At TGIB, the health of the workers and the safety of the workplace shall always be a priority concern. The Company takes a strong commitment to continually improve on the standards set and expects constant safety vigilance by every employee.

Failure to Comply

It is each employee's responsibility to ensure full compliance with all the provisions in this Code of Business Conduct & Ethics and to seek guidance where necessary from their Division Head or from the Human Resource Department.

To "do the right thing" and to ensure the highest standards of integrity shall be each TGIB employee's personal responsibility that cannot be delegated.

When in doubt, all employees should always be guided by the basic principles stated herein. Failure to comply with this Code may result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

Reporting Concerns

You are encouraged to report a genuine concern without fear for retaliation. TGIB will take appropriate action against anyone who engages in retaliatory conduct.

Malicious or defamatory reporting or purposeful false reporting, however, is a breach of this Code and may result in disciplinary proceedings.



Review of Business Ethics & Code of Conduct

This Business Ethics & Code of Conduct may be reviewed at any time or from time to time by the Management of the Group. Upon such review, this Business Ethics & Code of Conduct may be amended or varied by the Management and if necessary if such amendments or variations are material, approved by the Board of the Group. All such amendments thereto or variation thereof may be posted on the Website and the Group's Intranet and/or communicated to all via internal office circulars or such other medium of communications (as the Management of the Group may decide from time to time) whereupon such amendments or variations shall be taken, read and construed as an essential and integral part of this Business Ethics & Code of Conduct.