



Standards of Conduct, Business Ethics and Conflicts of Interest

INTRODUCTION

SAM Engineering & Equipment (M) Berhad (the “**Company**”) is committed to promoting good business conduct and maintaining a healthy corporate culture that reflects the Company’s Core Values.

This Code serves as a general guideline to regulate the actions and behavior of all personnel (including the Board, Management and all employees) (“**Personnel**”) of the Company and its subsidiaries (collectively, the “**Group**”). The Company expects and requires that all Personnel, being representatives of the Group, adhere to this Code and maintain a high level of conduct and business ethics (including avoiding, as much as possible, situations where conflicts of interest may arise).

This Code is not intended to anticipate all instances of conflicts of interest. Hence, when issues of conflicts, ethics and conduct arise, the Company requires and expects Personnel to exercise good and sound judgment, and act in utmost good faith in the best interests of the Group.

This Code may be reviewed, amended and updated from time to time by the Management with the approval of the Board.

SCOPE OF THIS CODE

All Personnel are expected to adhere to and comply with this Code.

Ignorance of the existence of this Code or the terms of this Code will not be an accepted excuse in the event of its breach and disciplinary action will be initiated against those who violate this Code.

It is the obligation and responsibility of all Personnel of the Group to keep themselves informed of the latest updates to this Code.

CONFLICTS OF INTEREST

A conflict of interest exists when Personnel, through his/her position, enables him/her to obtain an improper gain or advantage, and such gain or advantage adversely affects the Group's interest.

All Personnel are expected to exercise prudent judgment to avoid conflicts of interest.

If an actual or potential conflict of interest arises, the affected Personnel must notify the relevant Head of Company or the Human Resource Department in writing immediately upon becoming aware of such conflict, whether real or perceived.

As an illustration, the affected Personnel must notify the relevant Head of Company or the Human Resource Department if his/her family member has any business dealings with the Group.

BRIBERY AND CORRUPTION

SAM takes a zero-tolerance approach towards bribery and corruption. A comprehensive guide of the Group's policy on this issue is found in the Company website and all employees are encouraged to read, understand and comply to this and other policies relating to business ethics and employee conduct.

All Personnel are strictly prohibited from accepting or soliciting any bribe from, or offering any bribe to customers, suppliers or competitors (or any person affiliated with such customer, supplier or competitor).

All Personnel are encouraged to report any bribery or corrupt practice or a real and genuine suspicion of such bribery or corrupt practice via the whistleblower portal on the Company's website.

Any incident relating to accepting, soliciting, giving or offering any bribe will be dealt with under applicable laws and regulations.

GIFTS AND ENTERTAINMENT

As a general rule, all Personnel are discouraged from giving to or accepting from customers, suppliers or competitors (or any person affiliated with such customer, supplier or competitor) any gifts, personal favours, entertainment or other benefits that may in any way influence or appear to influence the Personnel's professional judgment in the discharge of his/her duty to the Group.

However, the Group recognizes that it is a legitimate custom and/or practice and/or courtesy in business relationships to accept or offer modest gifts or entertainment (i.e., dinners, luncheons and refreshments of reasonable cost).

In the event that Personnel has received a gift, under such circumstances that makes it impossible, difficult or impractical to reject such a gift, the affected Personnel should as soon as possible notify and submit the gift to the Human Resource Department or his/her Manager or the relevant Head of Company who shall then notify the Chief Executive Officer of the Company. Only the Chief Executive Officer can decide whether the affected Personnel may keep the gift.

Gifts of cash or cash equivalents (i.e., gift certificates, securities and similar) of any amount are strictly prohibited.

CONFIDENTIAL INFORMATION

The Group's business revolves around technology and the successful survival of the Group's business is dependent upon gaining and maintaining technological and competitive advantage over its competitors.

Personnel are strictly prohibited from disclosing any Confidential Information of the Group to any third party (whether individual, incorporated or unincorporated entity) for any reason whatsoever without the prior knowledge and written approval of the Chief Executive Officer.

This obligation of secrecy and non-disclosure shall extend beyond the termination of the Group's relationship with Personnel for any reason whatsoever.

Confidential Information includes as all non-public information (including but not limited to any trade secrets) in any form whatsoever which is proprietary to the Group and/or relates to the business of the Group (both current and proposed).

INSIDER TRADING

Generally, a person who possesses information that is not generally available, and such information may have a material effect on the price of securities, shall not acquire or dispose such securities.

The general rule of thumb is that Personnel who are in possession of price sensitive information are required to keep such information confidential and comply with the Capital Markets and Services Act 2007, the Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws in respect of dealing in the securities of the Company.

The Company will periodically identify and circulate closed period notices to Personnel identified as having access to price sensitive information. Such Personnel are expected not to deal in the securities of the Company during the closed period. Where the Personnel has a need to deal in the securities of the Company, the Personnel shall firstly seek approval from Senior Management (i.e., CEO, CFO or COO) or the Board.

MONEY LAUNDERING

Any person who engages in a transaction that involves proceeds of an unlawful activity, or receives or disposes of proceeds of an unlawful activity or conceals the true origin of proceeds of an unlawful activity, commits a money laundering offence.

All Personnel are prohibited from attempting or participating in any money laundering activities.

Personnel are encouraged to report any money laundering incidents, or a real and genuine suspicion of money laundering incidents via the whistleblower portal on the Company's website.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is committed to ensure compliance, and expects the Personnel to comply with all relevant laws, rules and regulations of the country where the Group conducts its business.

POLICY ADMINISTRATION

Compliance with this Code is a requirement of initial and continued employment with the Group. All employees are required to indicate their understanding of this Code on a form provided to the employee upon their employment with the Group. Thereafter, the form will be filed in the employee's personal file maintained at the Human Resources Department.

In addition, all employees will be required to sign the SAM EMPLOYEE AGREEMENT upon commencing work. This is to identify and help resolve potential conflicts of interest.

When it is determined that a violation of this Code has occurred, depending on the severity of the matter, the employee will be afforded a reasonable time to resolve the conflict, failing which the employee may be subject to disciplinary action (inclusive of termination).

In the event that any employee has any query pertaining to this Code or Policy, the employee is encouraged to seek clarification from the Human Resource Department.