
CODE OF CONDUCT AND ETHICS

1. INTRODUCTION

- 1.1 This Code of Conduct and Ethics is a statement of the Company's shared values that helps the Company and its subsidiaries ("**the Group**") operate openly, honestly and ethically.
- 1.2 This Code of Conduct and Ethics applies to all the Directors and employees of the Group. Though it does not offer an answer for every situation, it provides the resources and guidance on the standards of behaviour expected of all the Directors and employees of the Group.
- 1.3 All the Directors and employees of the Group are required to maintain an acceptable and satisfactory level of conduct and personal behaviour at all times in a manner that does not damage or tarnish the corporate image and reputation of the Group. Wilful breach of this Code of Conduct and Ethics shall be ground for disciplinary action.

2. PRINCIPLES OF THE CODE OF CONDUCT AND ETHICS

- 2.1 The core principles of the Code of Conduct and Ethics consist of the following:
- (a) To ensure compliance with the applicable laws, regulations and policies.
 - (b) To promote accountability among the employees of the Group.
 - (c) To promote transparency and honesty among the employees of the Group.
 - (d) To avoid conflict of interest and abuse of power and position within the Group.
 - (e) To encourage reporting of unlawful or unethical behaviour.
 - (f) To ensure protection of the Group's interests and assets.
 - (g) To ensure confidentiality of sensitive information and to prevent misuse of information gained through the Group's operations, either for personal gain or for any other purpose other than for the genuine benefits of the Group.

3. OBLIGATIONS OF THE DIRECTORS

- 3.1 All Directors of the Company are required to observe the following:
- o Compliance at all times with the Board Charter, this Code of Conduct and Ethics and all other applicable regulatory requirements.
 - o Act honestly, fairly and ethically with integrity, responsibility, competency and diligence, as well as act in good faith in the best interest of the Company and to fulfil their fiduciary obligations to all its stakeholders.
 - o Observe high standards of corporate governance, particularly the practices as set out in the Malaysian Code on Corporate Governance, the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws and regulations.

CODE OF CONDUCT AND ETHICS

- Not to misuse information gained in the course of duties for personal gain or for any other purpose, nor abuse the position as Director of the Company to promote private interests or those of connected persons.
- Limit the number of directorships to be undertaken to a number in which they can best devote their time, effort and effectiveness to attend meetings and insist on being kept informed on all matters of importance to discharge their duties as Director.
- Safeguard the Group's assets and resources.
- Avoid conflict of interest situation. Directors shall declare any personal, professional or business interests, whether directly or indirectly, that may conflict with their responsibilities as Director of the Company; and shall abstain from deliberating and voting in relation to transactions or matters of which the Directors have interests in.
- Compliance with the regulatory requirements pertaining to trading or dealing in the Company's shares, in particular insider trading.
- Prohibit to accept or offer, directly or indirectly, any gifts, remuneration, hospitality, donations, illegal payments and comparable benefits which are intended to solicit business favours or decisions for the conduct of business.
- Encourage whistle-blowing or report of unlawful or unethical behaviour and any violation of this Code of Conduct and Ethics within the Group.

4. ANTI-CORRUPTION AND ANTI-BRIBERY

- 4.1 Bribery involves exchanging or offering something of value to improperly influence a business decision or obtain a business advantage. Bribes can take many forms and include things like giving cash, gift cards, entertainment, inappropriate discounts, hiring a family member or a friend of someone you seek to influence, or even making certain charitable contributions.
- 4.2 All employees of the Group shall maintain ethical relationships with third parties in carrying out their duties and responsibilities, practice due diligence and treat third parties fairly.
- 4.3 All employees of the Group shall exercise special care when doing business or interacting with the government officials or third parties that will interact with the government officials on the Group's behalf.
- 4.4 All employees of the Group are required to keep accurate records. Transactions should be promptly and honestly recorded, with books and records should be properly maintained to accurately and fairly reflect the Group's business and operations.
- 4.5 All employees of the Group are prohibited to accept entertainment, commission, emolument, service, gratuity, money, property or any pecuniary benefit or gift for personal benefit or advantage from any third parties, agent or representative having a direct or indirect business dealing with the Group.

CODE OF CONDUCT AND ETHICS

4.6 Under limited circumstances, employees of the Group may accept gift of very nominal value where refusal or return of the gift item is truly impractical. Employees are required to consult his/her superior or the Management if in doubt.

5. CONFLICT OF INTEREST AND MISUSE OF POSITION

5.1 Employees of the Group are prohibited from engaging directly or indirectly in any business activity that competes or conflicts with the interests of the Group. These activities include but are not limited to the following:

- o Other business interests – Employees of the Group shall not conduct any business other than the businesses of the Group during the working hours.
- o Other employment – Employees of the Group are discouraged from carrying out additional part-time jobs outside the Group. In the event the employees intend to engage in part-time jobs after and outside the normal working hours, they shall give full details of such part-time jobs to the Management and obtain the written approval of the Management before undertaking such part-time jobs. Approval shall only be granted if the interests of the Group will not be prejudiced.
- o Corporate directorship – Employees of the Group shall not serve as director of corporations which are not related to the Group without the prior approval of the Management.

5.2 Employees of the Group shall ensure that their involvement/participation in trade union, political and/or social activities, if any, will not infringe upon or interfere with their duties and responsibilities to the Group. Such activities shall be conducted outside the premises of the Group and after normal working hours.

5.3 The Group reserves the right to request the employees of the Group to stop their involvement/participation in trade union, political and/or social activities if the Group is of the opinion that these activities hinder the employees from giving their commitment to their duties and responsibilities and/or cause detriment or embarrassment of any kind to the Group.

5.4 Employees of the Group must not use their position or the name of the Company or any of its subsidiaries for personal advantage.

6. CONFIDENTIALITY, HANDLING OF SENSITIVE INFORMATION AND INSIDER TRADING

6.1 All employees of the Group must at all times exercise due care to protect the confidentiality of the Group's information obtained in their ordinary course of duties.

6.2 Employees shall not during, or after termination of the employment with the Group divulge or make use of any secrets, copyrighted materials or any other proprietary information for personal gain or any other purpose other than for the genuine interests of the Group.

XIDELANG HOLDINGS LTD.

CODE OF CONDUCT AND ETHICS

- 6.3 Employees shall not deal in the securities of the Company at any time when he/she is in possession of sensitive information, being information not generally available to the public and is reasonably expected to have an impact on the share price if released, obtained as a result of employment with the Group.

Employees are also prohibited from influencing any other person to deal in the securities of the Company when in possession of sensitive information, or communicating such sensitive information to any other person including other employees of the Group who do not require such information in discharging their duties.

- 6.4 Employees shall treat information from third parties obtained in the ordinary course of duties with the same level of confidentiality and care as insider information.

- 6.5 Employees shall not discuss sensitive information of the Group in public areas.

7. FINANCIAL INTEGRITY

- 7.1 It is the responsibility of each employee to ensure all business records and accounts are prepared accurately and reliably in a timely manner and conforms to approved applicable accounting principles and all applicable laws, rules and regulations.

- 7.2 Employees of the Group shall not create fraudulent records, falsify documents or otherwise misrepresent facts, transactions or financial data.

- 7.3 Employees of the Group shall immediately report or highlight questionable or improper accounting in the books and records of the Group to the Management.

- 7.4 Employees of the Group shall exercise due care when incurring expenses on behalf of the Group, and shall ensure that the monies of the Group are spent reasonably with caution and for the benefits of the Group.

8. SAFEGUARD THE ASSETS OF THE GROUP

- 8.1 Employees of the Group shall exercise due care to protect assets of the Group that come into their possession, in furtherance of their duties, against misuse, theft, waste, loss, damage, abuse, misappropriation or infringement of intellectual property rights.

- 8.2 Employees of the Group shall ensure assets of the Group are used responsibly and in the best interest of the Group.

- 8.3 Employees of the Group shall promptly notify the Management in the event of any security breach or misappropriation or abuse of the Group's assets by any person.

9. WORKPLACE ENVIRONMENT AND SAFETY

- 9.1 Employees of the Group shall show respect to each other and shall not engage in conversation or send communication of any kind that contain offensive name-calling, jokes, slurs, threats or discrimination.

- 9.2 Employees of the Group shall not engage in any act of discrimination or harassment.

- 9.3 Employees of the Group shall not use alcohol or illegal drugs in the workplace, or abuse prescription medication.

CODE OF CONDUCT AND ETHICS

9.4 Employees of the Group shall adhere to the safety legislation and the Group's internal policies and procedures governing the workplace safety.

10. PUBLIC AND SOCIAL MEDIA

10.1 Employees of the Group are prohibited from giving interviews for any purpose in connection with the Group without the prior consent of the Management. All enquiries from media such as the television channel, radio channel and the press must be referred to the Managing Director or Executive Director of the Company.

10.2 Employees of the Group shall not engage in external discussions, including on social media, on behalf of the Group unless they have been authorised by the board of directors of the Company.

10.3 Employees of the Group shall not divulge or discuss sensitive or confidential information obtained from their employment with the Group in public or social media.

10.4 Employees of the Group shall ensure compliance with all applicable laws and regulations in disclosure of information to the public, and must ensure the completeness, accuracy and correctness of such information.

11. WHISTLE-BLOWING

11.1 The Group has established Whistle-Blowing Policy to provide guidance to the employees and external parties for the procedures and channels available for reporting of potential or actual ethics, human rights, legal or regulatory violations including improper or unethical business practices.

There are mechanisms in place to ensure that the person making such a report shall do so without fear of intimidation or retaliation. All complaints will be investigated and any breaches will be treated seriously with appropriate disciplinary actions.

12. REVIEW

12.1 The board of directors of the Company will review this Code of Conduct and Ethics periodically to ensure that it remains relevant and appropriate.