

CODE OF ETHICS

1. Background

Boilermech Holdings Berhad (“Boilermech” or the “Company”) and its subsidiaries (“Boilermech Group” or the “Group”) are dedicated to maintaining the highest standards of ethics and integrity. In the course of carrying out our roles and responsibilities in our business relationship with employees, customers, business contacts and society, we agree to remain committed to acting in accordance with the highest standards of excellence, honesty and integrity in every business activity.

This **Code of Ethics** (the “Code”) is formulated to enhance the standards of corporate governance and corporate behaviour with the intention of achieving the following aims in our group of companies:

- to establish a standard of ethical behaviour for Directors, Senior Management and employees of companies in the Boilermech Group based on trustworthiness and values that are acceptable;
- to uphold the spirit of responsibility and social responsibility in line with existing rules, regulations and guidelines for administering a company; and
- to formalise and inculcate ethical values through the Code and ensure their implementation and compliance.

The terms “We”, “Our” and/or “Us” refer to Boilermech Group and are used interchangeably throughout this Code. For the purpose of this Code, the term ‘employee’ includes any person who is employed by any company in the Boilermech Group.

2. Scope of, and compliance with, the Code of Ethics

This Code is based on the principle that Directors and employees of the Boilermech Group, its Officers, Senior Management and all employees (also known as “Covered Person”) owe a duty to Boilermech Group to conduct business in an ethical manner that promotes the accomplishment of the Group’s objectives.

All Covered Persons are expected to adhere to this general principle as well as to comply with all the specific provisions of this Code that are applicable to them and other relevant policies adopted by Boilermech Group.

In accepting a position with Boilermech Group, each Covered Person becomes accountable for compliance with the law, this Code and all the policies of the Group.

This Code should be read in conjunction with other policies of the Boilermech Group. It is each individual’s responsibility to be familiar with this Code, policies and any supplemental policies. The Board expects strict compliance with this Code.

Failure to observe these policies may result in disciplinary action, including possible termination of employment. Furthermore, violations of this Code may also constitute violations of the law and may result in civil or criminal penalties.

3. Work environment

Our Directors, Officers, Senior Management and employees seek to foster a meritocratic work environment that is free from the fear of retribution or reprisal.

4. Safe and healthy environment

We are committed to providing a drug-free, safe and healthy work environment. Using or being under the influence of alcohol or illegal drugs, whilst at work, is strictly prohibited, and smoking is restricted to designated areas. Each of us is responsible for compliance with applicable health and safety laws and regulations.

Any environmental risks that may arise within our properties or from our operations should be identified and managed in accordance with applicable laws and regulations.

5. Property

Covered Persons are responsible for the proper use of our property, including our information, resources, records, materials, facilities and equipment, and the property of our suppliers, service providers or other third parties which are under the care or control of the Group.

Covered Persons are expected to use and maintain these assets with care, guarding against theft, waste or abuse which may damage such property or assets.

Covered Persons shall not misappropriate the Group's property or the property of others for personal use or for the use of others.

The computer, electronic mail, internet access, and voice systems provided to Covered Persons are intended for business purposes. Covered Persons shall not use these systems in a manner which is harmful or embarrassing to the Group or suppliers, service providers or others. Under no circumstances shall any of the Group's systems be used to solicit, harass or otherwise offend or for any unlawful purpose.

Boilermech Group reserves the right to inspect work spaces and to audit, access and disclose all information and data, including electronic mail message, SMS or text messages, and phone call records, stored on or in any of Boilermech Group's equipment, for any purpose.

6. Records and information

We promote full, accurate, timely and understandable disclosure in all public communications, including reports and documents that we file with, or submit to, government authorities. We must maintain accurate and complete records, data and other information in sufficient detail so as to reflect our transactions accurately.

Our financial information and statements must be prepared in accordance with generally accepted accounting principles, the Malaysian Financial Reporting Standards and applicable statutory accounting practices and procedures for regulatory purposes, to fairly present, in all material respects, our financial position and operating results.

Covered Persons are personally responsible for the integrity of the information, reports and records under their care or control and must ensure that all reports are filed in a timely manner and that they fairly present the financial position and operating results of Boilermech Group. Misrepresentation of or falsifying facts/records will not be tolerated and will result in disciplinary action.

Covered Persons must comply with Boilermech Group's policy on retention and planned destruction of records. If any government authority or official requests for access to our records, data or other information of ours, Covered Persons must notify their superior, manager, or Senior Management of this request immediately.

Covered Persons shall not destroy or alter any records, data or other documents which are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable government investigation or proceeding or lawful request.

Covered Persons shall fully cooperate with appropriately authorised internal or external investigation. Making false or misleading statements to anyone, including internal or external auditors, Boilermech's counsel, representatives or other employees, or regulators can be construed as a criminal act that can result in severe penalties.

Covered Persons must never withhold or fail to communicate information that should be brought to the attention of Senior Management.

7. Proprietary and confidential information

Covered Persons may also receive or create information about us which is proprietary and/or confidential. Covered Persons must respect confidential information and comply with any applicable laws governing its disclosure. Both during and after the association with us, Covered Persons shall

not disclose such proprietary or confidential information to anyone without proper authorization from us. This applies to disclosure by any medium, including Short Message Services (SMS) and the internet, especially via social media sites (e.g. Facebook, Twitter, YouTube, etc.), internet message boards and /or blogs.

Disclosure of proprietary or confidential information within Boilermech or its related entities shall not be made to any individual (party) who is not authorised to receive it and has no need to know the information.

Our proprietary or confidential information includes non-public information that may be of use to our competitors, or harmful to us or our suppliers or other third parties, if disclosed. Examples of proprietary information include plans for acquisition, financing and business/strategic plans and budgets.

Further examples of confidential information, include employee records, customer information or Boilermech's or its related entities' information including name, address, contact numbers, e-mail, addresses, medical and billing records, government issued identification (e.g. Identity Card, Driver's License) and credit card, banking or other financial information.

8. Compliance with laws

We conduct our business in accordance with all applicable laws and regulations. Compliance with the law does not comprise our or a Covered Person's entire ethical responsibility. Rather, it is a minimum, essential condition for the performance of our and a Covered Person's duties.

This Code highlights issues but does not attempt to cover every circumstance which may arise. There are complex, rapidly changing laws and issues which may affect a Covered Person's personal conduct outside of our business environment. Covered Persons are responsible for knowing and complying with all applicable laws and regulations and are urged to consult with Boilermech Group's respective Heads of Department as to questions concerning these laws and regulations.

If a Covered Person has any compliance questions relating to us or our business, the Covered Person should consult his/her Head of Department within the Boilermech Group.

9. Fair dealing with others

We shall not make materially false, misleading or unsubstantiated statements about our competitors or ourselves on internet message boards, blogs, social media sites (e.g. Facebook, Twitter, YouTube, etc.) or similar forums or by other means of communication. Covered Persons, as our representatives, must adhere to these standards in a Covered Person's conduct on our behalf. Covered Persons may not post information about us on the internet anonymously and may only speak for us if authorised to do so.

10. Opportunities

Covered Persons have an obligation to give Boilermech Group their complete loyalty and to advance Boilermech Group's business opportunities. We expect the best interests of Boilermech Group to be foremost in the minds of our employees, officers and trustees as they perform their duties. These duties include the following:

- i. not taking personally opportunities that are discovered through the use of Boilermech Group's property, information or their position;
- ii. not using Boilermech Group's property, information or their position for personal gain; and
- iii. not competing with Boilermech Group.

Covered Persons may determine whether we consider an action they propose to take to be consistent with their duties to us by following the procedure described below relating to conflicts of interest. When Covered Person becomes an employee, officer or trustee of Boilermech Group, and receives pay and benefits in such capacity, the Covered Person makes this commitment.

11. Conflicts of interests

Covered persons must be sensitive to activities, interests, or relationships that interfere with, or which may appear to interfere with our interest as a whole. These activities, interest or relationships are considered “conflicts of interest”. Conflicts of interest arise from financial or other business or personal relationships with Boilermech Group, suppliers or competitors that may impair, or appear to impair, the independence of any judgment a Covered Person may need to make on our behalf.

They may arise from their personal investments, their outside business activities, their consideration of our business opportunities and dealings with related parties. Examples include but are not limited to the following:

- speculation or dealing for personal benefit in equipment, supplies, material, services or property purchased by or products sold by members of Boilermech Group;
- outside interests which materially limit a Covered Person’s ability to devote proper time or attention to Boilermech Group’s business;
- direct or indirect ownership of stock or other financial or management interest in a business enterprise which is soliciting business with, competes with or has a common business objective to Boilermech Group, unless that interest is limited to the ownership of securities traded on any national securities exchange or through any broker registered with the Securities Commission in a recognised over-the-counter market or unless prior approval is obtained from the Group. In the case of Senior Management, Covered Persons may seek approval from our Board of Directors for investments, related party transactions and other transactions/relationship which a Covered Person would like to pursue and which may otherwise constitute a conflict of interest or other action falling outside of the permissible activities under this Code;
- direct or indirect relationships with an outsider that is unethical or that may create personal gain for a Covered Person who can influence any member of Boilermech Group’s dealings, renders a Covered Person partial to the outsider to the detriment of Boilermech Group or may place any member of Boilermech Group or a Covered Person in an embarrassing or ethically compromised position;
- diversion to a Covered Person of a business opportunity in which Boilermech Group is or may be interested; and
- acceptance by a member of a Covered Person’s immediate family or by the said Covered Person of any loan, entertainment or favour from anyone associated with a distributor, customer, supplier, vendor, contractor, competitor, or other outside business entity, that places the Covered Person under actual or implied obligation, that could be construed as a bribe or payoff, that is illegal, in terms of cash or cheque, or the disclosure of which would be embarrassing to Boilermech Group.

If something constitutes a conflict of interest and if it involves a Covered Person directly, it will likely constitute a conflict of interest if it involves a family member or business associate.

Conflict of interest at a personal level includes having a close relationship with a director or key decision maker of the Group, including being a family member of a director or key decision maker, or being a related party to Boilermech Group in accordance with the definition of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements. Family member includes:

- (1) spouse;
- (2) parent;
- (3) child including an adopted child and step-child;
- (4) brother and sister; and
- (5) spouse of the person referred to in (3) and (4) above.

Covered Persons are under a continuing obligation to disclose any conflict of interest situation to the Head of Business Unit or a person nominated by him/her.

This enables our representatives who are independent of the conflict of interest to understand the conflict of interest and to determine whether our interests as a whole are being protected or otherwise.

If a Covered Person discovers that, as a result of changed circumstances or otherwise, he/she has become involved in a conflict of interest or is in competition with us, the Covered Person must report that conflict as soon as the matter comes to his /her knowledge. Unless the Covered Person obtains appropriate approval, he/she must promptly eliminate that conflict or competitive situation.

Immediate family members, including a spouse, children, parents and others residing in a Covered Person's home, including the Covered Person, shall avoid any potential conflict of interest. Covered Persons shall inform Management of actual or potential conflicts of interests and are required to exercise care as to not provide non-public information to family, friends and business associates, who may act on that information improperly.

As it is impossible to describe every potential conflict of interest, we necessarily rely on Covered Persons to exercise good judgment, to seek advice when appropriate and to adhere to ethical standards in the conduct of the Covered Person's professional and personal affairs.

12. Prohibition against Insider Trading

Covered Persons are prohibited from engaging in insider trading. Covered Persons may have access to confidential information, also known as inside information, which is sensitive non-public information which can affect securities price of the Company or other public listed companies. Covered Persons are prohibited from trading in securities of the Company or of other companies related to the inside information. Covered Persons are also prohibited to provide such information to others, including family, friends or business associates. Insider trading is an illegal act and would expose Covered Persons to civil and/or criminal action.

13. Anti-Money Laundering

Money laundering is the process of which persons or groups try to conceal the proceeds of illegal activities or try to make the sources of their illegal funds look legitimate via legitimate business dealings. Boilermech Group recognises the possibility that its Covered Persons, unknowingly, may be dealing or have dealt with money laundering.

To avoid any engagement and/or activities with parties convicted or highly suspected of association with criminal/terrorist activities or organisations. Covered Persons should consider, where appropriate and practical, conducting reasonable counterparty due diligence to understand the business and background of any prospective business partners including inquiry, where practicable, into suspicious conduct, proceeds or funds of the counterparty.

Covered Persons must report to immediate superiors or heads or, when necessary, the MD suspected incidents of money laundering. Violations of this act may constitute violations of the law and may result in civil or criminal penalties.

14. Commitment against Corrupt Practices

Bribery and corruption acts include the promising, offering, authorising, soliciting or accepting of a gratification, not confined to monetary form, as an inducement to gain or to provide, or as a reward for having gained or provided, an undue advantage in which cases such acts could influence the intended recipient's judgement, views or conduct. Occurrence of such acts may also have an adverse impact on the efficiencies, further performance, morale and reputation of the Group, as well as exposing it to legal consequences.

Covered Persons are strictly prohibited from, directly or indirectly, promising, offering, authorising, soliciting or accepting any gratification that constitutes or could be reasonably perceived as constituting a bribe. Covered Persons are required to comply with the Group's Anti-Bribery Policy and other relevant policies established by the Group.

Covered Persons who directly or indirectly obtain or have been offered any commission, payment, services, consideration of value or other benefits by virtue of his/her role or authority in the Group or in the performance of his/her duties, have the duty to disclose such receipts/benefits to their immediate superiors or heads or, when necessary, the MD for clearance. Violation of this provision of the Code may constitute violations of the law and may result in civil or criminal penalties.

15. Reports of violations

We require that any Covered Person who knows of violation of laws, rules, regulations or this Code, to report the violation through the **Whistleblower Policy** approved by the Board.

Failure to report a known or suspected violation of the Code itself is a violation of the Code, as it is the submission of information about a violation which is known to be false. While each Covered Person has a duty to report violations, no Covered Person has the right to use this as a means to unjustly accuse, harass or malign another.

Covered Persons will not be punished in any way for making a report about the improper conduct of others that they believe to be true at the time that it is made.

16. Integrity and Background Declaration

Boilermech Group may require the provision of an integrity and background declaration by Covered Persons from time to time as determined by the Group, as a measure to protect the integrity of the business and professional relationship between Boilermech Group and its Covered Persons.

17. Accountability for adherence with this Code

The Board of Directors enforces this Code. If an alleged violation of this Code has been reported to it, the Board of Directors (or its nominated persons) shall determine whether that violation has occurred and, if so, shall determine the disciplinary measures to be taken.

These disciplinary measures, which may be invoked at the discretion of the Board of Directors, include, but are not limited to, counselling, oral or written reprimands, warnings, probation, or suspension without pay, demotions, reductions in salary, termination of employment or other relationship with us and restitution.

Any waiver of the applicability of this Code requires the approval of the Board of Directors and may be promptly and publicly disclosed as may be required by applicable securities laws. Waivers will be granted only as permitted by law and in extraordinary circumstances, and shall be determined by the Board of Directors on a case-to-case basis.

18. Review of this Policy

This Code is reviewed and approved by the Board of Directors of Boilermech on 23 February 2023.

It shall be reviewed by Boilermech periodically or at least once in three years.