



OFFICIAL DOCUMENT

HUP FATT BROTHERS ENGINEERING PTE LTD

www.hupfatt.com.sg

Phone: +65 67537135

11 Woodlands Walk Singapore 738265

Precision structures and sheetmetal fabricator

Located in Singapore, Johor Bahru (Malaysia),

Penang (Malaysia), Suzhou (China), Tianjin (China)

Page 1 of 7

STANDARDS OF BUSINESS CONDUCT

REV A

25 JUNE 2010

Hup Fatt Brothers Engineering Pte Ltd (HFB) is committed to maintain the highest possible ethical standards in our workplace and in business dealings.

It is the responsibility of everyone to embrace the high standards we set and to be a role model for our values (our success is considered by what we do and say).

HFB has one set of Standards of Business Conduct that applies to entire workforce. These Standards help to guide us in making the best possible decisions. As members of HFB, it's your personal responsibility to read, understand and comply with these Standards.

With the complexity and ever-changing market conditions that affect our work nature, it is not easy to make the right decision for HFB. Each of us must take up the responsibility to come up with methods to address and resolve those issues in accordance with the policies in these Standards of Business Conduct and other company policies. Nothing short of ethical and legal conduct is tolerable.

If in doubt about any action or uncertain about HFB's expectations, we encourage you to consult the Human Resources Manager, admin@hupfatt.com.sg. We believe that good ethical decisions are made with sufficient information is readily available.

HFB's reputation for honest and fair business dealings developed through everyone's continuous efforts to uphold these Standards. We are committed to conduct the business using the highest possible ethical standards and we expect the same from you.

Edwin Chua Boon Hwee

Managing director

© 2010, Hup Fatt Brothers Engineering Pte Ltd

INTRODUCTION

These Standards of Business Conduct (the "Standards") are intended to provide information about HFB's ethical standards and the resources available to assist you in applying these Standards. Everyone that works for HFB is a member of HFB and is expected to understand and comply with these Standards.

We believe these Standards provide us with the information and resources necessary to meet our ethical obligations to each other, to the company, to our customers, suppliers and competitors, and to the public.

It is your personal responsibility to read and understand these Standards, as well as other Company policies, and comply with them both in letter and spirit. We encourage you to rely on your own high standards to work through ethical issues and to seek guidance, as appropriate. Ultimately, each of us is responsible for our own actions.

Like all Company policies, noncompliance with these Standards constitutes grounds for disciplinary action, up to and including termination of employment. It should be noted that these Standards are intended to act in conjunction with and supplement applicable local law.

All HFB policies are available for viewing on the Company Intranet. You are encouraged to bring any concerns you may have to the attention of the Company by discussing them with your supervisor or another member of management. If you are uncomfortable speaking with your supervisor, contact the Human Resources Manager. All communications will be treated with the highest regard for confidentiality. HFB forbids retaliation against any member of its workforce for reporting in good faith a possible violation to these Standards and other company policies, or for initiating, testifying or assisting. Any employees found to do so we will subject to disciplinary action, up to and including termination of employment. You should not be afraid to report any misconduct

NOTE

These Standards of Business Conduct are not an employment contract and do not create contractual rights. HFB reserves the right to amend or discontinue these Standards of Business Conduct and the policies addressed herein, without prior notice, at any time. The online version of the Standards of Business Conduct, available on HFB's website, supersedes all printed versions.

OUR VISION

It is our vision to be a world class company providing manufacturing (precision structures and sheetmetal enclosures) services for various industries.

- We conduct ourselves with integrity and live by the Standards
- Service, Response and Commitment to our customers

OUR VALUES

We, being the members of HFB's workforce are lead by the Standards. They describe our company as we want it to be. We want our decisions and actions to demonstrate these Standards, believing that this will create long-term benefits for shareholders, customers, employees, suppliers, and the communities we serve.

QUALITY POLICY

We are fully committed to satisfy our customer through quality of products and services as agree to, without defects and prompt delivery each time we serve them.

WORKING ENVIRONMENT AND HFB MEMBERS

HFB focuses on creating and maintaining a working environment that supports teamwork, integrity, respect and achievement - anyone of us has a chance achieve excellence. Although everyone at HFB must contribute to the creation and maintenance of a positive work environment, the management needs to put in more effort to lead the way in setting and communicating the standards that allow all of us to excel.

*In today's competitive economy, the well being of employees is having a more significant impact on company's performance. Employees with less worry in their personal lives are more likely to be committed and engaged at the workplace, thus enhancing the company's business performance. We are concerned about creating an environment that is plays concerns on safety, health and environment as we believe that it plays a vital role in attracting and retaining talent. We believe that such conditions can increase productivity, improve recruitment and retention, lower absenteeism rates, improved customer experience and create a more motivated, contented workforce.

Good employment practices must be adopted such as:

- Recruiting and treating employees fairly and equally, without prejudice or discrimination;
- Safeguarding employee rights and interests through the:
 - Provision of acceptable terms and conditions including leave entitlement, welfare, retrenchment benefits, and housing (where applicable), and
 - Timely payment of wages;
- Ensuring a safe and healthy workplace so that employees can work safely and more efficiently;
- Providing channels and opportunities for meaningful communication between management and employees/unions, in order to enhance labour-management relations;
- Providing opportunities for training to improve employee job competency and allow them to advance in their careers;
- Implementing performance-based wage systems and effective performance management systems that reward employees according to their contributions and performance;
- Implementing policies and programmes that help employees achieve Work-life balance and
- Implementing age-friendly employment practices that promote the employability of older employees.

*[cited from website: www.mom.gov.sg]

SUPPLIERS

We treat our suppliers with the same respect we have for customers. Our suppliers deserve fair and equitable treatment, clear agreements. Our suppliers are a critical part of our business successes.

INTRODUCTION

HFB is committed to maintain the highest possible ethical standards in our workplace and in business dealings. These Standards serve to guide all members of HFB on issues where it is tough to make the best ethical business decisions. With globalization and the complexity of the market situations now, we are faced with a broader and more complex set of ethical and business conduct issues which needs to be addressed more effectively.

These Standards are used to serve as a guideline for members of HFB and suppliers of HFB in making the most ethical decisions that affects daily business issues.

HUMAN RIGHTS AND LABOUR CONDITIONS

In HFB, we work towards giving our members the right to enjoy a safe working environment, not having to work excessive hours by force, and to be fairly paid for the work they do. It is therefore our aspiration that the

working conditions throughout our supply chain meet the locally accepted standards of human rights and conditions of work.

Child labour: HFB and its suppliers will not employ workers under the legal minimum age to work by the laws of the countries operated in.

Forced labour: HFB and its suppliers will not make use of any forced labour, including prison, debt-bondage labour.

Health and safety: HFB and its suppliers will provide a safe and healthy work environment and take all reasonable steps to prevent death or injury to anyone on the sites. Regular and relevant training on health and safety issues are provided to members of HFB. All employees are also accessible to bathroom facilities and potable water.

Discrimination: All members of HFB's workforce share the responsibility for mutual understanding and cooperation and for creating and maintaining a work environment in which discrimination is not tolerated. We believe that all individuals deserve kindness and respect regardless of sex, age, color, religion, national origin, ethnicity, ancestry, physical or mental disability, medical condition (including pregnancy and childbirth), marital status, sexual orientation, family care leave status or veteran status. This applies to all workforce-related decisions and actions including but not limited to recruitment, hiring, training, compensation, benefits, promotion and recreation. This policy is strongly encouraged for our suppliers to follow suit.

Discipline: Any disciplinary matter in HFB is to be dealt with through proper company procedures and we expect suppliers to establish such procedures as well.

Working hours: In HFB, official working hours are Monday to Friday 0800 – 1800. Under local employment act, maximum working hours are 12 hours per day except in circumstances of a) accident or threat of accident, b) work that is essential to life of community, national defence, security, c) urgent work to be done to machinery or plant and d) unforeseen interruption of work. In HFB, we ensure break times are given within a max period of 3 hours. This is to ensure that the workers get sufficient rest for their eyes and body in our tough and manual job scope to prevent fatigue that might affect the quality of work produced. It is in the company's interest to maintain the health and safety of the members of HFB as we believe in having a good quality of life. HFB urges suppliers to follow the minimum requirements stated out by local government where they are operating. We believe that health is wealth.

Living conditions: Where living accommodation is provided to workers, HFB ensures that this accommodation is of an acceptable standard of size and cleanliness, that is appropriate to local customs and norms and that adequate facilities are provided.

BUSINESS GIFTS AND ENTERTAINMENT

The company prohibits payment or offering of anything for the purpose of obtaining an improper business advantage.

At HFB, we believe that business decisions must be based on objective standards and recognized business needs.

We do not accept or offer gifts, privileged treatment or entertainment except within strict guidelines.

Generally, members of HFB are not allowed to offer or accept gifts related with their business activities. Gifts are only allowed in specified circumstances whereby a) applicable laws are not violated, b) not in violation of anti-corruption laws, c) limited value. Gifts must be always minor to a legitimate business transaction or relationship. Gifts must also be appropriate in value and kind for the region and culture in which they are given.

No gifts should be accepted with the intent to improperly influence a business relationship or decision. We must take care to avoid the appearance of impropriety.

Entertaining customers and suppliers are permitted only for the limited purpose of building business relationships.

We should avoid behavior that could be perceived as an attempt to influence decisions.

All members of HFB may not offer, promise or pay bribes or engage in other corrupt practices when conducting HFB's business.

With this implemented strongly as part of the Standards, suppliers are also strongly encouraged to follow suit. Suppliers should avoid offering gifts, payments or gratuities that are in violation to specified circumstances as mentioned above to our employees. Although we are unable to force suppliers to adopt same approach, we strongly push for the concept of accepting and giving gifts or entertaining that are for business purposes only are not material and frequent. It must be clear that such gifts or entertainments should not be given or received in a scale that affects business dealings or decisions.

We expect our customers to select our products based on quality, service and price. We conduct our business in an open and above-board manner and we do not seek improper influence. We thus expect our suppliers to act in the same manner in relation to us and our staff, and in relation to any third parties they deal with on our behalf.

The Prevention of Corruption Act under the Corrupt Practices Investigation Bureau (CPIB) prohibits any offering, undertaking or promising of bribes - corrupt gratifications including money or any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable or immovable, any office, employment or contract, any payment, release, discharge of liquidation of any loan, obligation or other liability whatsoever, whether in whole or in part, any other service, favour, advantage of any description whatsoever, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary or penal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty.

INTELLECTUAL PROPERTY

HFB and our customer's information should only be used for authorized business purposes. Where suppliers have access to this information, we expect them to use them responsibly and report truthfully on their use.

Everyday information shared within HFB is company's property and must be used only for company's business purposes. Members of HFB may not use these information for personal purposes or in employment positions outside HFB.

Special attention must be given to company information stored on computers and other storage devices. Accordingly, the following special efforts are required to safeguard company information stored:

- Personalized username and password
- Conscious of others observing your computer screen and avoid working on confidential information or handling data while travelling in carrier where passengers are seated closely
- Limit file access to company information to yourself and those who needs to know
- Do not share password with other co-workers unless requested to do so by the company and change your password regularly. This helps keep your data secure and avoid possibility of being held responsible for other's action

All members of HFB must protect and not disclose information (Confidential information) not generally available to the public or has not been published or widely disseminated

Confidential information may be technical, financial as well as business information. Examples of confidential information include but not limited to business, commercial, research, experimental work, developmental, current and future designs and process details, manufacturing, sales (e.g. customer lists), financial, operating, product and any other technical information, know-how, techniques, work instructions, samples, models, apparatus, process flow data cards, inventions, specifications, end user requirements, engineering, business forecast, sales, marketing plan, Technical Product Documents (TPD) which includes drawings, customized specifications and material data and other related information.

As member of HFB, you must follow company guidelines to protect our Confidential information,

- Ensure that NDA has been signed prior to providing any Confidential information to third party
- Limit access to Confidential information, e.g. by limiting reproduction and distribution to only those who have a business purpose to know
- Keep all Confidential information in secured areas and apply certain degree of care when handling and distributing to others
- Protect access to Confidential information stored electronically

No disclosure of Confidential information to a) any third party who has not signed or is not covered by a non-disclosure agreement (NDA) or b) any person inside the company who does not have a need to know such information.

In addition, you should refrain from commenting on our competitors, customers or supplier's businesses.

The company policy on handling Confidential information applied to both while at work at HFB and after employment at HFB ends. Members of HFB have a continuing obligation not to disclose Confidential information learnt while working at HFB and must return any Confidential documents you may have in your possession before the end of your employment with HFB.

In the same way that we are responsible for protecting HFB's intellectual property, we are also responsible for respecting and protecting the intellectual property right of others. We should also not improperly acquire or attempt to acquire the trade secrets or other Confidential information of others.

SELECTION AND TREATMENT OF SUPPLIERS

HFB treats all suppliers fairly. HFB selects suppliers based on their products, services and business practices. We expect dealing with suppliers to be fair and accordance with company policies. Assessment of supplier's ability to satisfy HFB's requirements pertaining to quality, timeliness and ability to provide on an ongoing-basis and to meet technical specifications are used when deciding on which supplier is used. Purchasing decisions should be based on long term cost and benefit to HFB while making the agreements fair to HFB and supplier.

It is important to avoid looking improper in business dealing with suppliers. Immediate notification is needed to disclose any personal or family relationship between yourself and supplier. Business gifts or entertainment from supplier should only be accepted only in strict compliance with HFB's Gift policy as mentioned above, which in many instances requires disclosures of such gifts.

ANTITRUST AND UNFAIR COMPETITION

Antitrust laws protect our competitive, free-market system by not allowing unfair agreements that hold back trade and other types of anticompetitive conduct. The whole list of prohibited practices is not possible to put up in these Standards, but the following should not be tolerated:

- Entering agreements with competitor regarding pricing, terms of sales, product/market/customer allocation or production volume (formally, informally, written, oral, express or implied)
- Discussing
- Boycotting customers or suppliers
- Making false comparisons with other products
- Making inaccurate or misleading statements about HFB or our products
- Failing to warn customers of known dangers in connection with use of our services
- Encouraging or causing breach of contract between competitors and their customers or suppliers
- Misrepresenting HFB's trademark, copyright, trade secret, patent or other intellectual property rights.
- Making inaccurate, false or misleading comments about other products.
- Making inaccurate, false or misleading comments about other parties with whom we have commercial dealings or about the nature of those dealings.

ENVIRONMENT

HFB and our suppliers should ensure that operations do not place a negatively impact on local communities, society and environment. If damage is done, appropriate remedial actions should be taken accordingly. It is everyone's responsibility to manage and minimize the impacts of business operations on physical environment. Emissions from manufacturing sites should at least meet the locally required standards.

You must be conscious of your responsibilities to protect the environment and to strictly comply with and enforce environmental laws and regulations while performing your daily work. Individuals, as well as the company, are subject to civil and criminal liability for violation of environmental laws and regulations.

Because of the extent and complexity of environmental regulations, you should consult with the National Environment Agency (NEA) or similar government agencies if you have questions or concerns.

Sufficient efforts should be in place to maximize the efficiency of resources which includes minimizing the use of raw materials, increasing the use of recycled materials, introducing more-energy efficient equipment and planning operational activities to minimize resources used.

Scrap material and waste are dealt with meeting all locally required standards and inhouse processes should be in place to minimize the amount of waste produced.

WORKPLACE SAFETY

At HFB, we are committed to protect, maintain and promote the safety, health and general well-being of our workforce. We carry out this responsibility by paying constant attention to the health and safety of our workforce and by ensuring safety training is provided and protective measures are in place. All members of HFB must adopt and enforce safe work practices and comply with all health and safety laws and regulations to ensure protective measures are effective and maintain a safe working environment for all. If you have any concerns with regards to safety, please report to your manager and if you have any questions related to workplace safety and responsibilities, please contact the Human Resources Manager or our safety committee.