

**K. SENG SENG CORPORATION
BERHAD AND ITS
SUBSIDIARIES**

**CONFLICT OF INTEREST
POLICY**

(Approved for adoption by the Board of Directors on 28 May 2025)

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1.0 INTRODUCTION

- 1.1 The Board of Directors (the “Board”) holds a fiduciary duty and must act objectively in the best interests of K. Seng Seng Corporation Berhad (“KSSC” or the “Company”) and its subsidiaries and associates (the “Group”). In fulfilling these fiduciary duties and leadership functions, it is imperative for the Board to govern and set the strategic direction of the Group, exercise oversight over management, and review management performance.
- 1.2 KSSC is dedicated to upholding ethical standards of professionalism and integrity. We are committed to adhering to governance standards and demonstrating an effective and structured approach within the Group to identify, manage, and mitigate situations where personal interests may conflict with professional duties or organisational objectives.
- 1.3 This Conflict of Interest (“COI”) Policy has been developed to assist the Directors and key senior management in recognising and managing any potential conflicts of interest that may arise.

2.0 OBJECTIVE

The primary objective of this COI Policy is to promptly and effectively identify, manage, and address actual, potential, and perceived COI within the Group. This COI Policy is designed to provide clear guidance on navigating COI situations as they arise, ensuring transparency, integrity, and accountability in our decision-making processes.

3.0 SCOPE AND APPLICATION

- 3.1 This COI Policy applies to all Directors and key senior management of the Group.
- 3.2 For the purpose of this COI Policy, key senior management are the Group Chief Financial Officer, Chief Operating Officer, Executive Director of the subsidiaries and associates, or any individual designated by the Board for this purpose.
- 3.3 This COI Policy shall be read in conjunction with the Board Charter and the Group Code of Ethics, the Code of Ethics and Conduct for Directors, and shall be subject to periodic review from time to time, where necessary.
- 3.4 The scope of the COI situations is relatively extensive, encompassing a wide range of activities that may give rise to COI. While this COI Policy cannot anticipate every potential scenario, Directors and key senior management are expected to exercise reasonable judgment and act in accordance with the spirit and intent of this COI Policy. This includes making decisions that prioritise transparency, integrity, and the best interests of the Group, even in situations not explicitly addressed by this COI Policy.

4.0 REGULATORY FRAMEWORK ON COI

The regulatory framework governing COI is primarily governed by various laws, regulations, and guidelines aimed at promoting transparency, accountability, and ethical conduct in both the public and private sectors. The key aspects of the regulatory framework on COI are as follows:-

4.1 Companies Act 2016 (the “CA 2016”)

- 4.1.1 Section 213 of the CA 2016 codifies the common law duties of a company director to act honestly and in the best interests of the company when carrying out their duties.
- 4.1.2 Section 218 of the CA 2016 prohibits directors or officers of a company from using the company's property, information obtained through their position, their status as a director or officer, any business opportunities belonging to the company, or engaging in competing business activities that may benefit themselves or harm the company without the consent or ratification of a general meeting.
- 4.1.3 Section 219 of the CA 2016 mandates that directors must provide written notice to their company upon acquiring or disposing of shares, debentures, or contracts in the company, or if there are any changes to the information previously disclosed.
- 4.1.4 Section 221 of the CA 2016 mandates that directors disclose any direct or indirect interest they possess in a contract or proposed contract with the company. They are required to declare the nature of their interest at a board meeting promptly upon becoming aware of the relevant facts.
- 4.1.5 Section 222 of the CA 2016 outlines the regulations governing a director's involvement in contracts in which they have a direct or indirect interest. If a director has an interest in a contract, they are required to disclose this interest and are prohibited from participating in any discussion or voting related to the contract.

4.2 Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (the “Guidelines”) issued pursuant to Section 158 and Subsection 15(1)(q) of the Securities Commission Malaysia Act 1993

- 4.2.1 Paragraph 3.02 of the Guidelines provides that a director appointed as a representative of a shareholder must prioritise the best interests of the corporation on whose board they serve. In case of any conflict between their duty to act in the corporation's best interest and their duty to the nominating shareholder, the director must not prioritise the interests of the nominating shareholder over their duty to act in the best interest of the corporation.
- 4.2.2 Paragraph 3.05 of the Guidelines provides that a listed corporation and its directors are required to establish policies and procedures to effectively manage potential COI situations, which may arise between (i) any director and the corporation; and (ii) the listed corporation and its subsidiaries.
- 4.2.3 Paragraph 3.06 of the Guidelines provides that a director of a corporation must not accept or provide a benefit to a third party solely because of (i) their position as a director; or (ii) any action taken or refrained from as a director; unless permitted by the corporation's constitution or code of conduct, and such action is not contrary to any applicable written law.
- 4.2.4 Paragraph 5.02 of the Guidelines outlines that a listed corporation and its directors must establish and maintain a comprehensive group-wide framework on corporate governance, which includes code of conduct and ethics, policies and procedures on anti-corruption, whistleblowing mechanisms, COI management, material sustainability risk management, and board diversity policy, including gender diversity.

4.3 Capital Market Services Act 2017 (the “CMSA”)

Section 317A of the CMSA provides that a director or an officer of a listed corporation or any of its related corporation shall not do or cause anyone to do anything with the intention of causing wrongful loss to the listed corporations or any of its related corporations, regardless of whether these actions result in actual wrongful loss.

4.4 Listing Requirements of Bursa Malaysia Securities Berhad

- 4.4.1 These COI related statutory obligations under CA 2016 are further complemented by the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) under Chapter 8 (Continuing Listing Obligations), Chapter 9 (Continuing Disclosure) and Chapter 15 (Corporate Governance).
- 4.4.2 COI disclosures are required to be promptly announced in the event of changes to principal officers, during the issuance of annual report, and alongside notice for an annual general meeting. These disclosures require a listed company to reveal any potential COI situations involving directors and key senior management, including any interests in competing businesses held by these individuals or their connection with the listed company or its subsidiaries.
- 4.4.3 Furthermore, a summary of any reviewed COI or potential COI situations by the audit committee, as per Paragraph 15.12(1)(h) of the Listing Requirements of Bursa Malaysia, should be included in the Audit and Risk Management Committee (“ARMC”) Report. This summary should also outline the measures taken to resolve, eliminate, or mitigate such conflicts.

5.0 PRINCIPLES

- 5.1 COI may arise in many different situations. This COI Policy does not attempt to be prescriptive or restrictive about certain activities. Instead, they outline an overall process for assessment and management and identify the principles which should guide identifying and reporting COI, and determining appropriate management strategies for mitigating risks.
- 5.2 The Board assumes ultimate responsibility for identifying, assessing, and managing COI situations. The Board delegates the duty to identify, assess and manage existing and potential COI situations to the ARMC of the Company.
- 5.3 All Directors and key senior management personnel have a responsibility to identify and manage COI on an ongoing basis.
- 5.4 It is imperative to uphold principles of objectivity, integrity, and independence while demonstrating sound judgment and discretion in all actions and decisions.
- 5.5 The fundamental principle of this COI Policy is that the Directors and key senior management should always declare an activity if they are in doubt whether it represents a COI.
- 5.6 The four key steps in dealing with a COI are:-
 - (a) Assess and Identify
 - (b) Declare and Report
 - (c) Manage and Review
 - (d) Monitor and Record

6.0 AMBIT OF COI

6.1 Generally, COI refers to situations where:-

- (a) the interests of a person (especially one in a position of trust) interfere, or appear to interfere, with the interests of the Group; or
- (b) A person has interests that may prevent him from performing his duties objectively and effectively.

A potential COI is a COI that has yet to materialise, but may arise subsequently due to, among others, prevailing relationships or interests of the person.

6.2 A COI situation includes, but are not limited to, the following situations:-

- (a) Financial (whether direct or indirect) and pecuniary interest, or non-financial interest or competing loyalties or interests.
- (b) A legitimate private-capacity activities, personal affiliations and associations and family interests where the said interest could reasonably be considered likely to improperly influence the Director's or key senior management's discharge of his fiduciary duties and responsibilities towards the Group.

6.3 The following are a few examples of some possible COI involving a person, which would warrant disclosure, where the said person:-

- (a) Use of the Group's property or resources for personal purposes or business.
- (b) Use any information acquired by virtue of his position as a Director or key senior management of the Group.
- (c) Channel benefits or resources meant for the Group to a company in which he has an interest.
- (d) Disclose trade secrets, price sensitive or confidential information to a competitor where he has an interest in.
- (e) Prioritises his private venture by depriving the Group of an identified business opportunity.
- (f) Involve in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the Group.
- (g) Hold offices and/or directorships in competitors of the Group and hold other employment, or business appointments outside of the Group that involve frequent or prolonged absences from the Group.
- (h) Provide financial assistance to, or receive financial assistance from, the Group on terms and conditions that are more favourable to the said person than normal commercial terms.
- (i) Utilise any opportunity within the Group that he becomes aware of, in the performance of his functions as Director or key senior management.
- (j) Accept an inappropriate gift from a company bidding for a contract with the Group.

The following are a few examples of some possible potential or perceived COI situations:-

- (a) Carry out similar business to that of the Group in a geographical location where the Group is not currently operating, but which the Group may expand its venture in subsequently.
- (b) Purchase of products or services for personal use at a massive discount from a vendor which has been shortlisted in a tender process. There could be potential COI as the said person may award the contract in favour of the vendor that offers him the discount.

7.0 ASSESSMENT AND IDENTIFICATION OF SITUATIONS THAT MAY GIVE RISE TO COI

- 7.1 Directors and key senior management are required to carefully examine their private interests in relation to their office duties to identify any actual, potential, or perceived COI. They can refer to the relevant examples outlined in section 6 of this COI Policy (Ambit of COI) for their own assessment and self-declaration, if necessary.
- 7.2 Directors and key senior management can also consult the Company Secretary for advice and guidance when needed.

8.0 DECLARATION AND REPORTING OF IDENTIFIED COI SITUATIONS

- 8.1 In line with the Company's Code of Conduct and Ethics for Directors, as well as the Group Code of Ethics and Conduct, Directors and key senior management are expected to avoid COI.
- 8.2 Directors and key senior management with a direct or indirect interest in any significant transaction or arrangement involving the Group, or who hold an office or property that may conflict with their duties or interests within the Group, must promptly disclose these facts upon becoming aware of them to the Company Secretary and take recommended actions to resolve or address the conflict. In addition to fulfilling this obligation, Directors and key senior management are also required to submit their annual declaration of COI to the Company Secretary as part of ongoing compliance. These disclosures should be made at an ARMC Meeting, outlining the full details and nature of their interests.
- 8.3 The ARMC of the Company is responsible for reviewing COI situations involving Directors and key senior management. The ARMC shall report to the Board any COI situation that arises, persists, or may arise during the financial year, along with the measures to resolve, eliminate, or mitigate such conflicts. The ARMC must also disclose them in the ARMC report.

9.0 MANAGEMENT AND REVIEW OF COI SITUATIONS AND ACTIONS TAKEN

The ARMC will, as needed, consult with appropriate individuals, including external legal counsel, to determine the best approach for managing any COI situation and actions taken. This may involve these possible non-exhaustive measures to address the COIs:-

- (a) Requiring conflicted people to declare COI periodically and regularly, including at all Board meetings.

- (b) Restricting the participation of conflicted individuals in any applicable Board, Board Committees, or general meetings and requiring conflicted persons to abstain or recuse themselves from deliberation and voting on matters related to the said COIs.
- (c) Assessing the COI of conflicted persons during annual performance appraisals and for new appointments, prior to the appointment.
- (d) Requiring the conflicted persons to execute a non-disclosure or confidentiality agreement to protect any type of confidential and proprietary information or trade secrets.
- (e) Restricting conflicted individuals from participating in businesses that compete with the Group.
- (f) Placing restrictions on access to information, for example, where information available in the Group might give a conflicted person an unfair advantage in personal business dealings.
- (g) Temporary transfer of specific responsibilities for the duration of the COI.
- (h) In extreme circumstances where the COI is likely to affect the performance of the conflicted individuals, requiring them to either divest their interest causing the conflict or resign from the Group.

10.0 MONITORING AND RECORDING OF COI SITUATIONS

- 10.1 The identification and management of COI should be subject to periodic review by the ARMC for conflicted Directors and key senior management, in response to any changes in circumstances.
- 10.2 The Company Secretary will document how COI of conflicted Directors and key senior management will be managed. Information regarding these COIs will be maintained in a centralised COI register within the Corporate Secretarial Department, accessible only to authorised personnel.
- 10.3 An annual summary report will be provided to the ARMC and the Board, detailing the COI declared during the year.

The Board has approved this COI Policy on 28 May 2025.

This COI Policy will be amended and modified from time to time in line with any changes in relevant legislation, codes or regulations (in so far as they are applicable to this COI Policy and are mandatory), and all such amendments and modifications shall be deemed incorporated without the requirement for further approvals from the Board. The Board shall thereafter be duly informed of such amendments and modifications.

Process Flow on Management of Conflict of Interest (“COI”) involving Directors and Key Senior Management

