

Version	1.0
Effective date	27/12/2023
Approved by	The Board of Kumpulan H & L High-Tech Berhad

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## Background

On 26 May 2023, Bursa Malaysia Securities Berhad ([Bursa](#)) issued a circular relating to the amendments to its Main Market Listing Requirements ("Main LR") and ACE Market Listing Requirements ("ACE LR") in relation to the conflict of interest and other areas ("COI & Other Amendments").

## Reference

### Appendix 1 - Main LR COI & Other Amendments

[https://www.maicsa.org.my/media/8191/technical\\_announcements\\_230530\\_1\\_2.pdf](https://www.maicsa.org.my/media/8191/technical_announcements_230530_1_2.pdf)

### Appendix 3 - Issuers Communication Notes & Guidance on Conflict of Interest

[https://www.maicsa.org.my/media/8193/technical\\_announcements\\_230530\\_1\\_4.pdf](https://www.maicsa.org.my/media/8193/technical_announcements_230530_1_4.pdf)

### Appendix 4 Q&A for Main LR COI & Other Amendments

[https://www.maicsa.org.my/media/8194/technical\\_announcements\\_230530\\_1\\_5.pdf](https://www.maicsa.org.my/media/8194/technical_announcements_230530_1_5.pdf)

### Boardroom

<https://www.boardroomlimited.com/my/events/malaysia-conflict-of-interest-pursuant-to-enhanced-listing-requirements-webinar/>

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Supersedes and replaces all prior versions, if any, as from the effective date.

## **CONFLICT OF INTEREST POLICY**

“Conflict of Interest”

Generally, Conflict Of Interest refers to situations where –

(a) the interests of the said person (who is often a person in a position of trust), interfere, or appear to interfere, with the interests of the listed issuer or its subsidiaries (“listed issuer group”); or

(b) the said person has interests that may make it difficult to perform his or her role objectively and effectively.

### **1. INTRODUCTION**

Kumpulan H & L High-Tech Berhad (“the Company”) and its subsidiaries (collectively referred to as “the Group”) recognises and is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations. The Directors and Key Senior Management of the Group are expected to discharge their duties in a professional, honest and ethical manner at all times, and to avoid any conflict or potential conflict between their personal interests and the Group’s interest. The establishment of a Conflict of Interest Policy (“Policy”) which sets out the framework and appropriate controls and measures to ensure systematic identification and management of such conflict of interest or potential conflict of interest in an effective and timely manner is therefore important in order to ensure that the interest of the Group are protected and that any situation which could give rise to a conflict of interest or potential conflict of interest is properly reported and managed.

### **2. PURPOSE**

The purpose of this Policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. Its function is to provide guidance on how to deal with conflict of interest or potential conflict of interest situations as they arise and protect the interest of the Group, while assisting the Directors and Key Senior Management to perform with high integrity and ethical standards.

### **3. SCOPE**

This Policy applies to all Directors and Key Senior Management of the Group. This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest or potential conflict of interest may arise from their current or future activities.

#### **4. REFERENCE**

This Policy shall be read in conjunction with the following guidance, policies and statutory provisions:-

- a. Code of Conduct Ethics Policy;
- b. Whistleblowing Policy;
- c. Anti-Bribery and Corruption Policy;
- d. Paragraphs 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its subsidiaries;
- e. The statutory duties and responsibilities of directors under the relevant provisions as set out under Sections 214, 217 to 219, 221, 222 and 228 of the Companies Act 2016; and
- f. Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad on 26 May 2023.

#### **5. SITUATIONS THAT MAY GIVE RISE TO CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST**

The Directors and Key Senior Management of the Group should pay attention to the following situations to avoid any actual or potential conflict of interest:-

##### **a. Equity ownership or participation in other organisations and/or entities**

This is where a Director or Key Senior Management holds shares or equity ownership in other entities or other organisations, and in particular where they are having a business relationship with the Group, either directly or indirectly (e.g. through a family member). This does not apply to shares held in public listed/quoted companies which have a business relationship with the Group, unless such holding is considered to be material (5.00% or more) and the interest is likely to impair the objectivity of the Directors or Key Senior Management concerned.

##### **b. Directorship, partnership or other forms of interest in entities having a business relationship with the Group**

This applies to situations where a Director or Key Senior Management holds a position or has an interest in entities having a business relationship with the Group, including financial interest in any of the Group's projects, contracts, sale, transactions, or other business dealing or have family members, close relatives or associates with such interests.

##### **c. Other employment, business appointments or undertakings**

A conflict of interest or potential conflict of interest may arise where a Director or Key Senior Management hold other part time employment or have other business appointments, opportunities or undertakings which may interfere with the proper discharge of official duties in

the Group, resulting in a negative impact on their performance or give rise to conflict of interest or potential conflict of interest with regards to their employment. The Director or Key Senior Management is expected to devote his/her time, attention and commitment during the performance of his/her duties. A conflict of interest or potential conflict of interest may also arise where the participation in any outside business interest or any non-business activity requires excessive time and attention from the Director or Key Senior Management, thereby depriving the Director or Key Senior Management best effort and performance on the job.

**d. Personal relationships**

A conflict of interest or potential conflict of interest would exist if a family member of the Director or Key Senior Management has a reporting relationship with the Director or Key Senior Management. A conflict of interest would also arise if a Director or Key Senior Management has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc) in entities or organisations which have a contractual arrangement with the Group.

**e. Contractual dealings with Directors or Key Senior Management**

This refers to situations where the Group purchases or leases property, equipment, materials, etc from Directors or Key Senior Management, or enters into contractual arrangements with Directors or Key Senior Management (other than employment contracts). Such situations give rise to a conflict of interest and should be declared.

**f. Dealings with competitors**

If a Director, Key Senior Management or family member of a Director or Key Senior Management has financial or other interests or any involvement in the business of a competitor, or holds a directorship in a competitor, such a situation would give rise to a conflict of interest or potential conflict of interest. This does not apply to the holding of publicly quoted shares of competitor companies, unless such holding is considered to be material (5.00% or more) and the interest is likely to impair the objectivity of the Director or Key Senior Management concerned. If a Director or Key Senior Management has accepted employment with a competitor, this could also result in a conflict of interest during the period which he/she is still employed with the Group, especially if the Director or Key Senior Management is dealing with sensitive or confidential information. As such, the conflict of interest or potential conflict of interest must be declared immediately upon acceptance of employment with the competitor to enable the Group to take the necessary actions to manage the conflict of interest or potential conflict of interest.

**g. Involvement in activities where the Director or Key Senior Management concerned is the subject matter**

A conflict of interest or potential conflict of interest arises if a Director or Key Senior Management participates in activities where he/she is the subject of the discussion or where the decision involves him/her. An example of this situation is where an allegation is made against a Director

or Key Senior Management through the whistleblowing channel, and the Director or Key Senior Management is part of the investigating team tasked with investigating the allegation.

For the purpose of this Policy, “family member” refers to a spouse, parents, child (including adopted child and step child), brother, sister, spouse of the Director or Key Senior Management’s child, brother or sister.

## **6. GUIDING PRINCIPLES**

- a. All Directors and Key Senior Management shall act in the best interest of the company and in the event of any conflict between his/her duty to act in the best interest of the company and his/her personal interest, he/she shall not subordinate his/her duty to act in the best interest of the company against his personal interest.
- b. All Directors and Key Senior Management shall refrain and avoid placing themselves in a position of conflict of interest and where this is unavoidable, the Directors or Key Senior Management should make the relevant declaration.
- c. In respect of directorship/employment with other organisations/entities, exceptional consideration will be taken in relation to this where such directorship/employment/ arrangement relates to family businesses or companies including unincorporated entities such as social or community related clubs or associations and Companies Limited by Guarantee (“CLBG”).
- d. All Directors and Key Senior Management must protect the confidential business information of the Group and never use it for their own benefit or the benefit of other persons or to recommend or cause a third party to do so.

The business affairs and information records of the Group which includes business, financial, legal, personal data, intellectual property, contractual records and documents comprising e-mails, letters, reports, drawings, calculations, specifications, forms, licences, agreements or other documents or computers software or files of whatever nature and information belonging to the Group are all confidential information belonging to the Group.

Such information is strictly private and confidential and may not be utilised, discussed with, divulged or disclosed to third parties except for legitimate official business purposes by employees authorised to do so.

- e. All Directors and Key Senior Management must not make use of his/her position in the Group to influence a business decision by the Group that may result in personal gain or benefit to the director or employee, their family member or persons connected to them. f. Business decisions made by an employee must be based on integrity, sound judgement and ethical practices and not be influenced by personal interest.

## **7. DISCLOSURE AND DECLARATION**

All Directors and Key Senior Management are required to make a declaration by completing the Conflict of Interest or Potential Conflict of Interest Declaration Form (Appendix I) as and when the conflict of interest or potential conflict of interest situation arises at the earliest opportunity, i.e., as soon as the Director or Key Senior Management becomes aware of the conflict of interest or potential conflict of interest.

The declaration form must be escalated to the Audit and Risk Management Committee (“ARMC”) and the Board of the Company (“Board of Directors”) and recorded by the Company Secretary.

In addition to the declaration, the Director and/or Key Senior Management who have the conflict of interest or potential conflict of interest after consultation and review by the ARMC should abide and comply with the ARMC’s determination on the reasonable steps and measures to manage, resolve or eliminate the conflict of interest or potential conflict of interest and mitigate the impact of the conflict of interest or potential conflict of interest on the negotiation/discussion/decision making process.

Any information disclosed under this Policy shall be strictly confidential. The Declaration Form duly completed and signed by Director and/or Key Senior Management must be retained by the Company Secretary for safekeeping and record.

For conflicts of interest or potential conflict of interest involving the Directors and/or Key Senior Management of the Group, the Company Secretary shall maintain records of the declarations and any other related documents.

## **8. POLICY REVIEW**

This Policy will be subject to review and revision from time to time as and when the need arises but in any event at least once every three years. This Policy has been adopted by the Board of Directors and shall come into force with effect from **27/12/2023**.

## DECLARATION FORM

### CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

Ref. No. : \_\_\_\_\_

I, \_\_\_\_\_ (NRIC No. \_\_\_\_\_) hereby declare  
an actual/potential conflict of interest as follows:

#### CATEGORIES OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

- ☐ Equity ownership in entities having a business relationship with the Group
- ☐ Directorship, partnership or other forms of interest in entities having a business relationship with the Group
- ☐ Other employment, business appointments or undertakings
- ☐ Personal relationships
- ☐ Contractual dealings with employees
- ☐ Dealings with competitors
- ☐ Involvement in activities where the Director or employee concerned is the subject matter

(please tick ✓ whichever is applicable)

DETAILS OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

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I hereby confirm that this is a complete disclosure of all conflicts of interest or potential conflict of interest to the best of my knowledge.

\_\_\_\_\_  
Name :

Position :

Date of Declaration