

Conflict of Interest Policy

1. Definitions

“Board” means the board of directors of the Company.

“Directors” means all independent and non-independent directors, executive and non-executive directors of Group and shall also include alternate or substitute directors.

“Company” means Ni Hsin Group Berhad.

“Group” means Ni Hsin Group Berhad and its subsidiaries.

“ARMC” means Audit and Risk Management Committee.

“Key Senior Management” means the Executive Chairman, Executive Directors, Chief Financial Officer, Chief Operating Officer or any position having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly (C suite level).

“Conflict of Interest” means the interests of an individual, such as a Director or Key Senior Management, interfere or appear to interfere with the interests of the Company or its subsidiaries. It may also occur when an individual’s interest makes it difficult to perform their roles objectively and effectively.

“Policy” means the Conflict of Interest Policy of the Group.

2. Introduction

2.1 This Policy outlines the disclosure obligations of each Director and Key Senior Management of the Group with respect to conflict of interest, and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

2.2 The objective of this Policy aims to ensure that conflict of interest is handled appropriately, promoting transparency, foster a culture of honesty and accountability, and good governance within the Group.

2.3 A conflict of interest arises when the interests of an individual, such as a Director or Key Senior Management interfere or appear to interfere with the interests of the Company or its subsidiaries. It may also occur when an individual’s interest makes it difficult to perform their roles objectively and effectively.

NI HSIN GROUP BERHAD

Registration No. 200401014850 (653353-W)

Conflict of Interest Policy

- 2.4 A potential conflict of interest is a conflict of interest that has not materialised but may arise subsequently due to prevailing relationships or interests of an individual.
- 2.5 A perceived conflict of interest is a conflict which could exist but is not directly tied to the Director or Key Senior Management.
- 2.6 Interest in competing business refers to direct or indirect financial interest, non-financial interest, or competing loyalties or interests in a business that competes with the Company or its subsidiaries.

3. Scope

This Policy applies to all Directors and Key Senior Management of the Group. It covers conflict of interest that may arise between their personal interests and the interests of the Company or its subsidiaries. The personal interests shall include but not limited to the interests of family member, i.e. spouse, parent, child (including adopted child or step-child), siblings, spouse of child or siblings of the Director and Key Senior Management of the Group or any company, corporation owned or controlled by them in which they have substantial personal interest.

This Policy shall be read together with:-

- Anti-Bribery and Anti-Corruption Policy and Procedure;
- Board Charter;
- Code of Ethics;
- Code of Conduct; and
- Whistleblowing Policy.

4. Circumstances which constitute or may give rise to conflict of interest

- 4.1 A conflict of interest may be actual, potential or perceived and may be financial or non-financial interests arising from relationships (family, business, or professional), or competing loyalties or interests.
- 4.2 Conflict of interest situations may take many forms. Directors and Key Senior Management should be vigilant in identifying situations that may give rise to a conflict of interest.
- 4.3 Examples of situations (non-exhaustive) where a conflict of interest could arise are as follows:
 - (a) Where a Director or Key Senior Management is interested in a contract or proposed contract with the Company or its subsidiaries.

NI HSIN GROUP BERHAD

Registration No. 200401014850 (653353-W)

Conflict of Interest Policy

- (b) Where a Director holds another office or possesses any property where duties or interests are created which may conflict with his duties and interest as a Director.
- (c) Where a Director or Key Senior Management uses the Group's property, information or position for personal gain.
- (d) Where a Director or Key Senior Management takes advantage of any opportunity which may be given to the Group.
- (e) Channelling benefits or resources meant for the Company to a company in which the Director or Key Senior Management has an interest.
- (f) Disclosing trade secrets to competitors when the Director or Key Senior Management has an interest in such competitors.
- (g) Leveraging the Group's business plans for personal gain through private companies.
- (h) Involvement in a business that competes with the Group's products.
- (i) Holding offices or directorships in companies that compete with the Company or its subsidiaries.

5. Disclosure of Conflict of Interest

- 5.1 Any Director or Key Senior Management who becomes aware of a conflict of interest must promptly disclose the nature and extent of the conflict to the Company.
- 5.2 Disclosure should occur as soon as practicable after the relevant facts have come to the knowledge of the individual and should be made on a periodic and regular basis, including at all board meetings.
- 5.3 The disclosure should include all relevant details, such as the nature and extent of interest (including interest in any competing business with the Company or its subsidiaries), the relationship or transaction involved and the potential impact on the Company using the prescribed standard forms.
- 5.4 If any Director or Key Senior Management is in doubt whether he/she has a conflict of interest, he/she should seek advice from the Company Secretary.

6. Management of Conflict of Interest

- 6.1 The ARMC shall review and report any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts. These disclosures should be included in the ARMC Report.
- 6.2 The ARMC's review and disclosure must cover conflict of interest situations that arose or may arise during the financial year, as well as persisting conflict of interest from previous financial years.
- 6.3 The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:-
- (a) Requiring prompt and periodic declaration of conflict of interest by the Director and Key Senior Management of the Group, including at board meetings and on a regular basis.
 - (b) Restricting the participation of individuals with conflict of interest in relevant board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts.
 - (c) Conducting an assessment of conflict of interest during annual performance appraisal and before new appointments.
 - (d) Executing non-disclosure or confidentiality agreements to protect confidential and proprietary information or trade secrets.
 - (e) Restricting Director and Key Senior Management from participating in businesses that compete with the Company or its subsidiaries.
 - (f) In cases where conflict of interest significantly affects the performance of Director or Key Senior Management, requiring them to divest the conflicting interest or consider resigning from the Company or Group. Taking into account the significance of the conflict of interest and potential ramifications of a failure to handle the conflict properly, Directors should consider whether to inform the Board not to send them board papers relating to the resolution.

7. Records Maintenance

- 7.1 The Company Secretary shall be responsible to record all conflict of interest disclosures by the interested Director or Key Senior Management in the minutes of meeting of the Board or in the board circular resolution as the case may be, at which the declaration was made and to maintain an updated record of such conflict of interest disclosures received.
- 7.2 These records shall be made available for inspection by auditors or other regulatory authorities upon request.

8. Breach of Policy

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of amongst others, this Policy, Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act 2016, and could result in amongst others, disciplinary action being taken by the Company.

9. Periodic Review of This Policy

The ARMC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

This Policy will be reviewed once every two years or as and when necessary by the Board and will be made available on the Company's website for public information.

This Policy was reviewed and approved by the Board on 22 April 2024.