

**HUA YANG BERHAD**  
Registration No. 197801007059 (44094-M)

**CONFLICT OF INTEREST POLICY**  
**FOR**  
**DIRECTORS AND SENIOR MANAGEMENT**

## **1.0 INTRODUCTION**

Hua Yang Berhad (“Company”) and its subsidiaries (“Hua Yang Group”) aim to maintain the highest ethical standards in carrying out the business activities. Accordingly, Hua Yang Group expects all its Directors, Senior Management (as identified by the Board) and employees to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflict of interest that may arise in the performance of their duties.

This Conflict of Interest Policy (“Policy”) shall be read together with of the Code of Conduct and Business Ethics Policy on conflict of interest, Related Party Transactions Policy, Anti-Bribery and Anti-Corruption Policy and other related policies.

## **2.0 PURPOSE OF THE POLICY**

The purpose of this Policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to deal with situations involving conflict of interest situations as when they arise.

## **3.0 SCOPE OF THE POLICY**

- 3.1 This Policy is intended to apply to all Directors and Senior Management of Hua Yang Group. This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities.
- 3.2 The scope of this Policy is relatively wide in its coverage of activities that might give rise to conflicts of interest. As it is not possible for the policy to be all-inclusive, Directors and Senior Management are expected to exercise sound judgment, adhering to the intent of the Policy.
- 3.3 Taking into cognisance that the Company has more than one Executive Director, hence top Management have valuable contributions to make in Board deliberations. In certain cases, where conflict arises with such Executive Director, it will be up to the Audit Committee Chair to make a call on whether the Executive Director needs to be absent or present from deliberations requiring decisions.

## **4.0 DEFINITIONS**

“Beneficial interest” refers to the right to receive economic benefits from an asset without being the legal owner of the asset, e.g. entitlement of income from shares held through a nominee.

“Conflict of interest” is a situation in which a person has competing interests and the serving of one interest could improperly influence the performance of duties and responsibilities, and which may be at the detriment and/or personal gain to another. A real conflict of interest exists at the present time and a potential conflict of interest could be reasonably foreseeable to exist in the future.

“Family member” means the spouse, parent, brother, sister, child (including adopted or stepchild) and the spouses of such brother, sister or child of the person.

“Material” in relation to shareholding means equity ownership of 5% or more.

## **5.0 IDENTIFICATION OF CONFLICT OF INTEREST CIRCUMSTANCES AND SITUATIONS**

5.1 A conflict of interest would arise when a person's ability to perform his/her duties effectively or impartially is potentially impaired by personal interest, considerations or relationships.

5.2 Generally, conflicts of interest may be described under the following broad categories but is not exhaustive:-

### **(a) Equity ownership in entities having a business relationship with Hua Yang Group**

This is where a Director or a Senior Management holds shares in privately owned entities having a business relationship with Hua Yang Group, either directly or indirectly (e.g. through a family member). This does not apply to shares held in publicly quoted companies which have a business relationship with Hua Yang Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or employee concerned.

### **(b) Directorship, partnership or other forms of Beneficial Interest in entities having a business relationship with Hua Yang Group**

This applies to situations where a Director or a Senior Management holds a position or has an interest in entities having a business relationship with Hua Yang Group. An example would be where the Director or Senior Management of Hua Yang Group is a Director of a company supplying materials to Hua Yang Group. Such situations would result in a conflict of interest.

### **(c) Personal family relationships**

A conflict of interest would exist if a family member of a Director or a Senior Management has a reporting relationship with the Director or a Senior Management. This also applies to situations where a family member of the Director or a Senior Management of Hua Yang Group is working in a company bidding for a project to be awarded by Hua Yang Group, although there is no contractual agreement yet.

### **(d) Contractual dealings with Director or Key Senior Management**

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

## **6.0 DUTY TO DISCLOSURE AND RECUSAL**

- 6.1 Any situation involving COI, whether direct or indirect, actual or potential, must be declared and notified to the Company Secretary immediately after the relevant facts have come to the Director or Senior Management's knowledge. A Conflicted Director or Senior Management may at any time declare a COI or duty in relation to a matter by notifying the Company Secretary in writing of the existence of the actual or potential COI using the attached COI Declaration or any other written declaration and providing the Company Secretary with such information as will reasonably allow an informed assessment to be made by the other Non-Conflicted Directors and Senior Management.
- 6.2 The Company Secretary upon notification of the declaration on COI by the Conflicted Director or Senior Management, must take immediate action to obtain more information for tabling/circulation to the Audit Committee. The Audit Committee shall first review such potential or actual conflict of interest and determine the measures required to be taken to resolve, eliminate or mitigate such conflicts and report the decision to the Board of Directors for deliberation. Such declaration must be recorded by the Company Secretary in the minutes of meeting.
- 6.3 If the COI matter is being deliberated at the Board meeting, the Company Secretary shall before the commencement of the meeting, table the declaration that has been received from the Conflicted Director for information of the Non-Conflicted Directors. The Company Secretary then presents the report of the Audit Committee on the said COI matter to the Board for discussion.
- 6.4 Identification by the Conflicted Director (Self Declaration)
  - (a) Where a Conflicted Director has disclosed the COI matter as required under the Policy, the Conflicted Director:
    - i. shall declare the nature of his/her interest at the Board meeting;
    - ii. will continue to receive Board papers or other information in relation to the COI matter, unless the Chairman or the Board determine otherwise;
    - iii. shall be excused from any part of the Board discussion and/or Board Committee Meeting for the duration during the matter's discussion; and
    - iv. shall not vote on the matter.
  - (b) If majority of the Non-Conflicted Directors resolve that the disclosed interest should not disqualify a Conflicted Director from being present while the COI matter is being considered, then Clauses 6.4(a)(iii) of the Policy shall not apply. The Conflicted Director may be present only to make the quorum counted at the Board meeting but shall not participate and vote in any discussion while the COI matter is being considered during the Board meeting in pursuant to Section 222 of the Companies Act 2016 ("CA 2016").

## 6.5 Identification by the Board or Others

- (a) In the event that any COI matter is anticipated or brought before the Board by the Chairman, Directors, Senior Management or any other concerned party that has a concern that the disclosure of such a matter to a particular Director would not be in the best interests of the Group and/or place that particular Director in a position of conflict, the COI matter shall be referred to the Audit Committee for further investigation.
- (b) The Audit Committee, in consultation with the Chairman of the Board and/or the Company Secretary, will conduct a thorough assessment to determine if the Conflicted Director is indeed facing a COI situation. In such circumstances, the Conflicted Director:
  - (i) will not be provided with any Board papers or information related to the COI matter;
  - (ii) shall be excused from participating in any part of a Board or Board Committee meeting during discussions on the COI matter;
  - (iii) shall not vote on the COI matter and abstain from executing any directors' circular resolution(s) containing the motion on the COI matter; and
  - (iv) monitor such COI matter and further disclose any material change/development thereto to the Company Secretary.

6.6 To further strengthen the COI disclosure process, all Directors and Senior Management are required to make an annual declaration of COI or potential COI via the Annual Declaration Form of Conflict of Interest by Director as set out in Appendix of the Policy.

## 7.0 GENERAL RESPONSIBILITIES OF DIRECTORS AND SENIOR MANAGEMENT

All Directors and Senior Management of the Group bear the responsibility of identifying and managing COI. The general responsibilities of Directors and Senior Management are as follows:

- (a) Disclosure: Directors and Senior Management should disclose any actual or potential COI they may have with the Group. This includes financial or non-financial interests, relationships, or affiliations that could affect their impartiality in decision-making.
- (b) Fiduciary Duty: Directors and Senior Management have a fiduciary duty to act in the best interests of the Group and its shareholders. This duty supersedes any personal interests, and Directors and Senior Management should make decisions with the Group's welfare as the top priority.
- (c) Compliance: Directors and Senior Management shall comply with this Policy and other relevant policies and guidelines concerning the identification, documentation, escalation, and management of COI.
- (d) Transparency: Directors and Senior Management shall avoid, whenever possible, situations or decision which could give rise to COI and promptly declare any COI in accordance with this Policy, abstaining from the decision-making process and refraining from attempting to influence such decisions any further.

- (e) Ethical Conduct: Act honestly, with integrity and transparently, while exercising sound judgment and discretion in their actions.

## **8.0 RECORDS MAINTENANCE**

- 8.1 The Company Secretary shall record each instance of COI disclosure made by the Conflicted Director in the minutes of meeting during which the declaration was submitted. In cases where the declaration is made outside of meeting times, the disclosure will be documented in the minutes of the subsequent meeting. The Annual Declaration Form of Conflict of Interest by Director will be securely maintained by the Company Secretary.
- 8.2 The Company Secretary shall ensure proper maintenance and retention of documentation to facilitate scrutiny of the COI matter by regulators or auditors. Such documentation should be readily accessible to regulators and other relevant parties.
- 8.3 A register of declaration of interests shall be maintained by the Company Secretary. Where a conflict of interest scenario arises, the register will specify the mitigating activities agreed by the Board, and set out the process by which these arrangements will be continually reviewed. The Company Secretary is responsible for the management and keeping of the register including any Board decisions regarding the assessment of the independence and objectivity of Directors and Senior Management.

## **9.0 COMPLIANCE**

- 9.1 Directors and Senior Management are obligated to adhere to all COI requirements as stipulated in this Policy along with any requirements set forth by the MMLR of Bursa Securities or other relevant regulatory guidelines. Furthermore, should a Director and/or Senior Management's interest leads to a Related Party Transaction, they must also adhere to the Company's Related Party Transactions Policy, in addition to meeting any requirements specified by the MMLR of Bursa Securities or other applicable regulatory guidelines.
- 9.2 Any breach or non-compliance with this Policy will be subject to appropriate internal disciplinary action and applicable civil and criminal liability.

## **10.0 REVIEW**

- 10.1 The Audit Committee's role entails assessing any actual or potential COI situations that arose, persist or may arise within the Group. Audit Committee shall propose with the measures to resolve, eliminate, or mitigate the COI situations and report its findings to the Board.
- 10.2 The Audit Committee and the Board shall review and reassess the adequacy of this Policy annually and make such amendments to this Policy as it may deem appropriate. All reviews by the Audit Committee are reported to the Board for further action. Any intervening changes or addition will be by way of circular.

This Policy was adopted on

Confirmed by,

.....  
Chairman  
Signed for & on behalf of the  
Board of Directors of Hua Yang Berhad

## Conflict of Interest Declaration

This form is to be completed by any Director or Senior Management and handed to the Company Secretary.

1. Involvement of directors or senior management in other business or corporations				
Do you hold any directorship office or material shareholding in other business or corporation?				<input type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b>
If yes, please provide the name of the organization and the directorship you hold and explain how this directorship may reasonably raise an actual/ potential conflict of interest.				
Involvement in other business or corporations				
Name	Principal Activities	% shareholdings		Date of appointment/ (resignation) as Director
		Direct	Indirect	
2. Agreements				
Have you entered any contract, agreement or understanding that gives rise to an obligation <u>that may reasonably raise an actual/ potential conflict of interest?</u>				<input type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b>
If yes, please provide details about the nature of this contract, obligation or agreement and explain how this contract, obligation or agreement may reasonably raise an actual/ potential conflict of interest.				
3. Family Interest				
<u>To your knowledge, do any of the following apply to your family that may reasonably raise an actual/ potential conflict of interest:</u> <ul style="list-style-type: none"> <li>entered into any contract, agreement or understanding that gives rise to an obligation or expectation of reward;</li> <li>have any shareholdings, investments or other business (<i>this includes a company, partnership, association or other entity</i>)</li> </ul>				<input type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b>
If yes, please provide details, including the nature of the interest and how the interest may reasonably raise an actual/ potential conflict of interest.				

**4. Other interests**

To your knowledge, are there any other arrangements or circumstances not already covered to declare which could constitute a conflict of interest?

☐ **YES**  
☐ **NO**

If yes, please provide details of these arrangements or circumstances and explain how these arrangements or circumstances of which you are aware, could reasonably raise an expectation/ actual conflict of interest.

*I declare that to the best of my knowledge, the information I have provided in this declaration is true and correct. I undertake to declare in writing if an actual, potential or perceived conflict arises in the future.*

**Signature of Declarant** : \_\_\_\_\_

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

**Designation** : \_\_\_\_\_

**Date** : \_\_\_\_\_

## Annual Conflict of Interest Declaration

1. I confirm that I have read and understood the Hua Yang Code of Conduct and Business Ethics Policy, Related Party Transaction Policy and Anti-Bribery and Anti-Corruption Policy and other related policies	YES	NO
2. I confirm that I have read and understood the Board Charter and that I understand the restrictions in relation to sharing / acting upon insider information	YES	NO
3. I agree that I will not disclose any confidential information, obtained as a result of, or in the course of my employment with the company, to any unauthorised person	YES	NO
4. I have read and understood the policy statements on conflict of interest and the holding of outside appointments or directorship, contained in the Conflict of Interest Policy/ Code of Conduct and Business Ethics Policy	YES	NO
5. I declare that I currently do not hold any executive or non-executive role in other Companies other than disclosed earlier	YES	NO
6. I declare that I currently do not hold nor have I accepted employment, inclusive of any contract work, selling of hours or products, with any commercial, governmental or professional entities for the past 12 months and that I have not earned any income from other sources of employment and / or business dealings other than disclosed earlier	YES	NO
7. I declare that neither I nor any members of my family has any financial interest in any company or business which has, or may have, commercial relations or corporate relations with any of the Hua Yang subsidiaries companies other than disclosed earlier	YES	NO
8. I declare that none of my direct family members (being a spouse, parent, child, sibling, grandparent or grandchild) works for a competitor of Hua Yang	YES	NO
9. I declare that none of my family members works at Hua Yang in any capacity other than disclosed earlier	YES	NO
10. I confirm that I am not a public official and that I do not have any family members that are public officials. I further confirm that I do not have any business relationships with any public officials	YES	NO
11. If you have selected "No" for any of the above statements, please describe the situation(s) or circumstance(s) which influences your choice of answer		
12. Please describe any other voluntary activity (public service, community or sporting) which may have an impact on your obligations to Hua Yang		
13. I declare to the best of my knowledge that the items listed above represent all external interests and activities that may fall within the scope of the Hua Yang Conflict of Interest Policy	YES	NO
14. I understand that the Company will evaluate any submissions and if required will advise me in accordance with policy requirements	YES	NO
15. I acknowledge that I need to declare any potential conflict of interest which may arise during the year (i.e. conflict not declared in this submission)	YES	NO

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

Signature: \_\_\_\_\_

Date completed: \_\_\_\_\_