

KECK SENG (MALAYSIA) BERHAD GROUP

Subject: Group Policy - Conflict of Interest Policy	Policy No: 10-00
Applies to: All Directors and Employees of the Group	Page: 1 of 4
Date: 25 November 2022	Approved by: Board of Directors

Introduction

As part of the daily activity of Keck Seng (Malaysia) Berhad (“**the Company**”) and its subsidiaries (hereinafter referred to as “**the Group**”), a number of external and internal interactions and transactions take place. During the course of these interactions and transactions, conflict of interests may arise. It is essential that all Company employees understand where such situations arise, they should promptly declare any such situation to the Company in order to avoid any conflict of interest that may arise in the performance of their duties.

The Group is committed to maintain the highest of ethical standards and governance. Accordingly, the Group expects all Directors and employees to conduct themselves with integrity, impartiality and professionalism at all times, and to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Group’s interest.

Objective

This 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 conflict of interest situations as they arise.

Scope

This Policy applies to all Directors and employees of the Group (including employees on contract terms, temporary staff and those on internship programme or secondment).

This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities. The Policy provides guidance on how to identify and declare all conflicts of interest, how to develop and implement actions to appropriately manage the conflict, and how to deal with breaches of this Policy. As it is not possible for the Policy to be all-inclusive, Directors and employees must exercise reasonable judgment and seek to comply with this Policy.

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**” refers to a situation where a person with a vested interest in the Company is in a position or has the opportunity to influence the Company’s business or other decisions in ways that could lead to personal gain or advantage of any kind.

Transaction which involve a certain level of conflict of interest may due to the close proximity (e.g. relationship) of the counterparties with a Director or employee within the Group who are involved in the transactions. This includes any transaction, procedure or course of conduct that raises questions about management’s integrity.

Conflict of interest includes actual, potential or perceived conflict of interest.

Subject: Group Policy - Conflict of Interest Policy	Policy No: 10-00
Applies to: All Directors and Employees of the Group	Page: 2 of 4
Date: 25 November 2022	Approved by: Board of Directors

“Family member”, in relation to a person, means:

- i. A spouse of the person;
- ii. A brother or sister of the person, or their spouses;
- iii. A brother or sister of the spouse of the person;
- iv. A lineal ascendant or descendant of the person (e.g. parents or children);
- v. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law);
- vi. A lineal descendant of a person referred to in (ii) above (e.g. niece or nephew);
- vii. The uncle, aunt or cousin of the person; or
- viii. The son-in-law or daughter-in-law of the person.

“HR” means Human Resources.

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

Identifying Conflict of Interest

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

Generally, conflicts of interest may be described under the following broad categories:

i. Equity ownership in entities having a business relationship with the Group

This is where a Director or employee holds shares in privately owned entities having a business relationship with the Company, 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 the Company, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or employee concerned.

ii. Directorship, partnership or other forms of beneficial interest in entities having a business relationship with the Group

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

iii. Contractual dealings Directors or employees

This refers to situations where the Group purchases or leases property, equipment, materials, etc. from Directors or employees, or enters into contractual arrangement with a Director or employee (other than employment contracts). Such situations give rise to a conflict of interest, and should not occur except in exceptional circumstances.

iv. Other employment, business appointments or undertakings

A conflict of interest may arise where an employee holds other part-time employment, or has other business appointments or undertakings. An employee is expected to devote his/her time, attention and commitment during work hours to his/her job duties. A conflict of interest can also arise where participation in any business activity outside working hours demands excessive time and attention from the employee, thereby depriving the Company of the employee’s best effort on the job or resulting in a negative impact on performance.

Subject: Group Policy - Conflict of Interest Policy	Policy No: 10-00
Applies to: All Directors and Employees of the Group	Page: 3 of 4
Date: 25 November 2022	Approved by: Board of Directors

v. Personal relationships

A conflict of interest would exist if a family member of an employee has a reporting relationship with the employee. An employee should not be in the same department/ division as a family member, and should not directly or indirectly supervise, or be in a position to influence the hiring, work assignments or assessments of the family member. A conflict of interest would also arise if a Director or employee has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc.) in entities which have a contractual arrangement with the Group. An example would be where an employee's spouse is working in a company providing consultancy services to the Group. This also applies to situations where a family member of an employee is working in a company bidding for a project to be awarded by the Group, although there is no contractual arrangement yet.

vi. Involvement in activities where the Director or employee concerned is the subject matter

A conflict of interest arises if a Director or employee 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 employee through the whistleblowing channel, and the Director or employee is part of the investigating team tasked with investigating the allegation.

vii. Dealings with competitors

If a Director, employee or family member of a Director or employee 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. This does not apply to the holding of publicly quoted shares of competitor companies, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or employee concerned. If an employee has accepted employment with a competitor, this could also result in a conflict of interest during the period which the employee is still employed with the Group, especially if the employee is dealing with sensitive or confidential information. As such, the 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.

General Responsibilities

All Directors and employees of the Group are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:

- i. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- ii. Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- iii. Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- iv. Immediately declare the conflict of interest in accordance with this Policy, remove themselves from the decision-making process and not seek to influence such decisions any further.

Managing Conflict of Interest

Any conflict of interest must be declared by filling up the Conflict of Interest Declaration Form as set out in Appendix A of this Policy. For employees, the conflict of interest must be escalated to HR for further action. In the case of Directors, the conflict must be disclosed to the Board of Directors and recorded by the Company Secretary.

Subject: Group Policy - Conflict of Interest Policy	Policy No: 10-00
Applies to: All Directors and Employees of the Group	Page: 4 of 4
Date: 25 November 2022	Approved by: Board of Directors

The declaration shall be made as and when the conflict arises, and shall be made at the earliest opportunity, i.e. as soon as the Director or employee becomes aware of the conflict. The completed Declaration Form shall be forwarded to HR by the person with the conflict concerned.

In addition to declaring the conflict of interest, appropriate steps must be taken to manage the conflict and to mitigate the impact of the conflict on the decision-making process. Ideally, the conflict should be avoided altogether, e.g. by relinquishing the interest that gives rise to the conflict. However, there are circumstances where it may not be practical to totally avoid the conflict, in which case, appropriate actions must be taken, depending on the nature and severity of the conflict.

Where the conflict is not likely to arise frequently, and the impact of the conflict is minimal, the participation of the person in the decision-making process should be restricted. Restriction should include, but is not limited to the following:

- i. Not participating in any critical criteria setting or decision-making role in the process.
- ii. Refraining from discussions about the matter.
- iii. Limiting access to information and denying access to sensitive documents or confidential information in the process.
- iv. Abstaining from voting on the decision.

Where the conflict is ongoing and could have serious implications, the person with the conflict should be removed from the process, which includes the following:

- i. Abstaining from any involvement whatsoever in the matter.
- ii. Rearranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict.
- iii. Transferring the person with the conflict to another project or another area of the Company.

Maintain of Records

For conflicts of interest involving employees, HR shall maintain records of all conflict of interest declarations as well as other related documents. Upon receiving the Conflict of Interest Declaration Form, HR shall review the actions taken to address the conflict and decide, on a case-by-case basis, whether such actions are appropriate and sufficient.

For conflicts of interest involving Directors, the Company Secretary shall maintain records of the declarations and any other related documents.

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 this Policy and could result in disciplinary action being taken by the Group.

Review of the Policy

This Policy should be reviewed from time to time by the Board in accordance with the needs of the Company and any amendments and updates be communicated to all levels of the Group.

This Policy was adopted by the Board on 25 November 2022 and is made available on the Company's website at <https://my.keckseng.com>.

KECK SENG (MALAYSIA) BERHAD GROUP
CONFLICT OF INTEREST DECLARATION FORM

Full Name (as per NRIC or Passport)	:		Staff ID	:	
Mobile Phone No	:		Email Address	:	
Immediate Superior	:		Designation/Department	:	

Details of Conflict of Interest

Description of conflict and relationship:

When did the conflict arise?

Impact/potential impact of conflict:

Actions taken to address conflict:

Disclosure of conflict

Disclosed to Head of Department ("HOD"): Yes/No

Date of disclosure to HOD:

Declaration

I hereby declare that the information provided herein is complete and accurate.

.....

Signature

[Name]

[Date]

Acknowledged by HR

.....

Signature

[Name]

[Date]