



THONG GUAN INDUSTRIES BERHAD (324203-K)

CONFLICT OF INTEREST POLICY

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## 1. INTRODUCTION

Thong Guan Industries Bhd (“**the Company**”) and its subsidiaries (“**the Group**”) are committed to upholding the highest standards of integrity, transparency, and ethical conduct in all business operations. In line with this commitment, the Group has implemented a comprehensive Conflict of Interest Policy to ensure that the Directors and Key Senior Management act in the best interests of the Group and free from any personal, financial, non-financial or other conflicts that may compromise their judgment or impartiality.

This Conflict of Interest Policy (“**Policy**”) shall be read together with the Company’s Directors’ Code of Conduct and Ethics, Related Party Transactions Policy, Anti-Bribery and Anti-Corruption Policy, paragraphs 3.05 and 3.06 of Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries and other related policies.

In formulating this Policy, the Group has taken into account the requirements outlined in the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Capital Markets and Services Act 2007 as well as other relevant regulatory frameworks, to ensure compliance with the obligations imposed.

## 2. OBJECTIVE

The primary objective of this Policy is to establish and maintain a robust framework consisting of well-defined processes and procedures that are diligently adhered to within the Group. This Policy aims to effectively identify, address, and manage a wide range of conflicts of interest or potential conflict of interest (“**COI**”), including those that are actual, potential, or perceived in nature.

## 3. SCOPE AND APPLICATION

**3.1** This Policy outlines the framework and the processes for the purposes of preventing any conflicts from influencing or compromising the objectivity and impartiality of the business operations, as well as to safeguard the reputation and credibility of the Company. It also serves as a guide to the Audit Committee (“**AC**”) and Board of Directors (“**Board**”) of the Company in discharging their role, which is to provide oversight and review the COI situations that arose, persist or may arise within the Group.

**3.2** This Policy applies to all Directors and Key Senior Management of the Group.

**3.3** This Policy applies whenever COI is identified by a Director or Key Senior Management or should reasonably be anticipated from their current or future activities. This Policy provides guidance on:

- (a) recognising and disclosing actual or potential COI; and
- (b) creating, executing, and overseeing strategies to appropriately handle conflicts.

**3.4** The scope is extensive, encompassing a wide range of activities that could give rise to COI. Although the Policy cannot possibly account for every conceivable situation, Directors and Key Senior Management are expected to exercise sound judgment, adhering to the intent of the Policy.

**3.5** The Board took 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 or Key Senior Management, it will be up to the Senior Independent Director to make a call on whether the Executive Director needs to be absent or present from deliberations requiring decisions.

#### **4. IDENTIFICATION OF CONFLICT OF INTEREST CIRCUMSTANCES AND SITUATIONS**

**4.1** A COI situation arises when a Director or Key Senior Management's ability to carry out their responsibilities is compromised or potentially compromised by personal interests, concerns, or relationships.

**4.2** Generally, COI may be described under the following, the list is not exhaustive:

**(a) Equity ownership in companies having a business relationship with the Group**

Director or Key Senior Management has ownership of shares in privately-owned companies having a business relationship with the Group, either directly or indirectly (e.g., through a family member). However, this Policy does not extend to shares held in publicly quoted companies that have a business relationship with the Group unless the holding is considered substantial and could potentially compromise the Director's objectivity.

**(b) Having interest in Person, Entity or Contract that has dealing with the Group**

Any direct or indirect financial or other interest in a person, entity, or contract that has dealings with the Group, where such interest could potentially influence decisions regarding the Group's dealings with said person, entity or contract.

**(c) Directorships in Common**

Holding multiple roles, including being a Director or Key Senior Management of another company which may lead to disclosure of confidential information obtained by reason of being a Director or Key Senior Management of one company to another company of which he/she is also a Director or Key Senior Management.

**(d) Personal Use of the Group's Assets**

Unauthorised personal use of the Group's assets, resources, or information, without prior approval from the Chairman of the Board and, in the case involving the Chairman, approval from the Board.

**(e) Personal Gain through Business Related Opportunities with the Group**

Director or Key Senior Management pursues personal gain related to the Group's business, utilising the Group's property, information, or position for personal gain, and engaging in any form of competition with the Group for business opportunities. For the purpose of this Policy, "Family Member" refers the Director or Key Senior Management's spouse, parent, child (including adopted child and step child), brother, sister and the spouse of the Director or Key Senior Management's child, brother or sister.

## **5. DISCLOSURE REQUIREMENTS & PROCEDURES**

5.1 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 and/or Key Senior Management's knowledge. A Conflicted Director or Key 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 and providing the Company Secretary with such information as will reasonably allow an informed assessment to be made by the other Non-Conflicted Directors.

5.2 If the COI matter is being deliberated at the Board meeting, the Conflicted Director and/or Key Senior Management shall provide written notice to the Board and the Company Secretary before the commencement of the meeting. The Company Secretary then presents the said COI matter to the Board for discussion.

### **5.3 Identification by the Conflicted Director or Key Senior Management (Self Declaration)**

(a) Where a Conflicted Director or Key Senior Management has disclosed the COI matter as required under the Policy, the Conflicted Director or Key Senior Management:

- 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 or Key Senior Management from being present while the COI matter is being considered, then Clauses 5.3(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").

### **5.4 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 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 Chairman of the Board for further investigation.

- (b) The Chairman, in consultation with the Senior Independent Director 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; and
  - iii. shall not vote on the COI matter.

5.5 To further strengthen the COI disclosure process, all Directors and Key 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 and Key Senior Management** as set out in **Appendix** of the Policy.

For the purpose of this Policy, “Conflicted Director or Key Senior Management” means a Director or Key Senior Management whose personal interest either have or may potentially conflict with his/her duty to act in the Company’s best interest. “Non-Conflicted Director” means any Director who is not a Conflicted Director.

## 6. GENERAL RESPONSIBILITIES OF DIRECTORS AND KEY SENIOR MANAGEMENT

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

- (a) **Disclosure:** Directors and Key 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 Key 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 Key Senior Management should make decisions with the Group's welfare as the top priority.
- (c) **Compliance:** Directors and Key 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 Key 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.

## **7. MAINTENANCE OF RECORDS**

7.1 The Annual Declaration Form of Conflict of Interest by Director and Key Senior Management will be securely maintained by the Corporate Services Department. The Company Secretary shall record each instance of COI disclosure made by the Conflicted Director and Key Senior Management 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.

7.2 The Corporate Services Department 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. COMPLIANCE**

8.1 Directors and Key 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 Key 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.

8.2 Any breach or non-compliance with this Policy will be subject to appropriate internal disciplinary action and applicable civil and criminal liability.

## **9. REVIEW**

9.1 The AC's role entails assessing any actual or potential COI situations that arose, persist or may arise within the Group. AC shall propose with the measures to resolve, eliminate, or mitigate the COI situations and report its findings to the Board.

9.2 The AC shall review and reassess the adequacy of this Policy periodically and make such amendments to this Policy as it may deem appropriate. All reviews by the AC are reported to the Board for further action.

## **10. RESOURCES**

The Corporate Services Department will provide guidance, education and procedures for implementing this Policy, including requirements for reporting, monitoring and review.

## **11. MODIFICATIONS**

The Company reserves the rights to modify or amend this Policy at any time as it may deem necessary in order to align the Policy with the relevant regulatory frameworks.

## ANNUAL DECLARATION FORM OF CONFLICT OF INTEREST BY DIRECTOR AND KEY SENIOR MANAGEMENT

This Form is required to be completed in respect of all Directors and Key Senior Management of Thong Guan Industries Bhd (“Thong Guan”) and its subsidiaries (“Thong Guan Group”) who has held office as at **[date]**.

No.	Conflict of Interest Situation	Please indicate with a tick (/)	
		YES	NO
1.	Do you or a person connected to you have a substantial direct or indirect ownership interest or other relationship with a company, firm or organisation that is currently having business dealings with Thong Guan and/or Thong Guan Group or that serves as a competitor or customer to Thong Guan?		
2.	Do you hold a position as a director, advisory member, limited partner, trustee, or any other authoritative role that could exert influence, whether directly or indirectly, over any organisation, firm, or company that might, in turn, engage in a direct or indirect competition with any of the businesses under the purview of Thong Guan and/or the Thong Guan Group?		
3.	Do you or a person connected to you utilise Thong Guan and/or Thong Guan Group’s assets, resources or information for personal use without obtaining prior approval from the Chairman of the Board or the Board.		
4.	Do you or a person connected to you exploit personal opportunities linked to the businesses of Thong Guan and/or the Thong Guan Group, by utilising property, information, or your position for personal gain, or engaged in competing with Thong Guan and/or the Thong Guan Group for business opportunities?		
5.	Are there any additional interests, activities, investments, or involvements that you believe should be disclosed to ensure a comprehensive account of any actual, apparent or potential conflicts of interest?		

\* In cases where you have indicated 'YES', please provide comprehensive details regarding your interests such as the company name, number of shares, percentage of shareholding, the nature of the relationship, or any other pertinent information. Additionally, kindly furnish the corresponding supporting documents as needed.



**Definition:**

**Person connected** under Paragraph 1.01 of the MMLR of Bursa Securities means such person (referred to as “said Person”) who falls under any one of the following categories:

- (a) a family member of the said Person include (i) spouse (ii) parent (iii) child including adopted child and step-child (iv) brother or sister and (v) spouse of child, brother or sister;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
- (c) a partner of the said Person;
- (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the said Person.

**Name:** ..... **NRIC/Passport No.:** ..... do hereby solemnly affirm and declare the following:

- (i) I agree to comply with the Conflict of Interest Policy of Thong Guan.
- (ii) I agree to promptly notify the Chairman/Board and/or Company Secretary of Thong Guan regarding any modifications in my responses to the aforementioned questions that may arise due to alterations in circumstances.
- (iii) I agree to report any additional financial interests, situations, activities, interests, or conduct that may arise before the completion of the next annual disclosure.
- (iv) The information contained in this Annual Declaration Form of Conflict of Interest by Directors and Key Senior Management is true and accurate to the best of my knowledge and belief.